

The **NATIONAL UNDERWRITER**



**PROTECT
WHAT YOU
HAVE**

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The wide range and flexibility of the transportation coverages make every shipper, both large and small, a prospect for this form. North America field men will be glad to assist you in planning your campaign.

See our full page advertisement in the June issue of Fortune and June 15th issue of Time.

INSURANCE COMPANY OF NORTH AMERICA PHILADELPHIA

and the

INDEMNITY INSURANCE CO. of NORTH AMERICA

write practically every form of insurance, except life.

Founded 1792

Capital \$12,000,000

Surplus to Policy Holders, over \$66,000,000

THURSDAY, JUNE 4, 1936

PUBLIC ENEMY

No 7 Burglary

COMMON ENEMIES TO GUARD AGAINST

- | | |
|-----------------------|----------------------------|
| 1 FIRE | 9 LIGHTNING |
| 2 MOTOR ACCIDENT | 10 MARINE DISASTER |
| 3 WINDSTORM & TORNADO | 11 RAILROAD WRECK |
| 4 PERSONAL ACCIDENT | 12 FALLING AIRCRAFT |
| 5 SICKNESS | 13 EXPLOSION |
| 6 DAMAGE CLAIMS | 14 RIOT or CIVIL COMMOTION |
| 7 BURGLARY | 15 EARTHQUAKE |
| 8 ROBBERY | 16 FORGERY |
| | 17 DISHONESTY |



Fear of Burglars is a universal nightmare. No man-made locks or other precautions can guard with certainty against the "THIEF IN THE NIGHT" or prevent his depredations.

Wherever man's thrift has accumulated articles of value the IMPS OF THIEVERY hover nearby and sooner or later the ruthless hand of the robber will strike.

Therefore, wisdom counsels the only positive protection—INSURANCE, which alone can remove the constant dread of loss that so often impairs the full enjoyment of our possessions.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
 The Mechanics Insurance Co. of Philadelphia " 1854
 Superior Fire Insurance Company " 1871
 The Metropolitan Casualty Insurance Co. of N.Y. " 1874

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
 National-Ben Franklin Fire Insurance Co. " 1866
 The Concordia Fire Insurance Co. of Milwaukee " 1870
 Commercial Casualty Insurance Company " 1909

WESTERN DEPARTMENT
 844 RUSH STREET, CHICAGO, ILLINOIS
CANADIAN DEPARTMENT
 461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT
 10 Park Place
 Newark, New Jersey

PACIFIC DEPARTMENT
 220 BUSH STREET, SAN FRANCISCO, CAL.
SOUTH-WESTERN DEPT
 912 COMMERCE STREET, DALLAS, TEXAS

modern automobile facilities

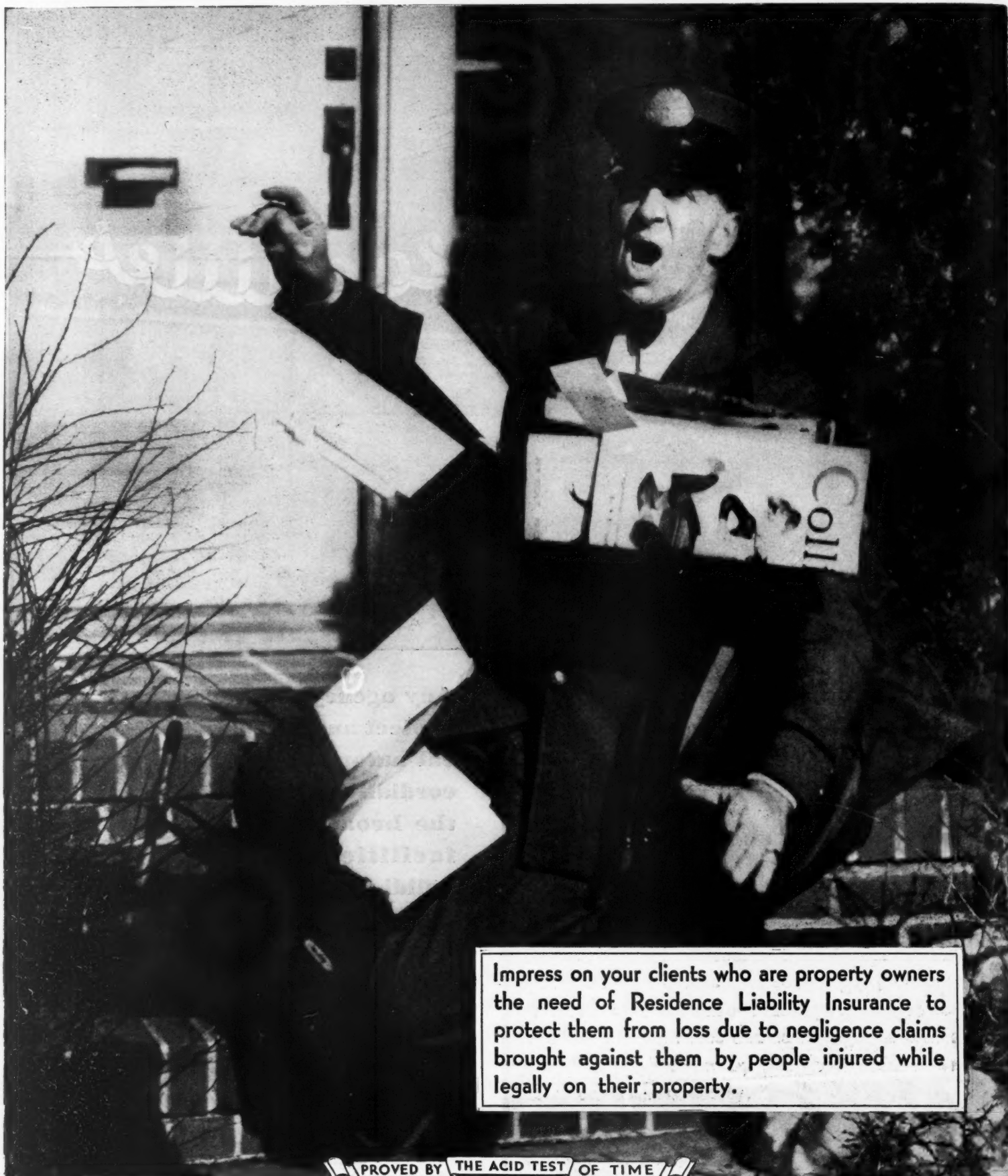
Any agency that desires to protect and increase its local automobile business is cordially invited to utilize the broad, country-wide facilities and business-building aids of our

AUTOMOBILE DEPT.

150 William Street
New York

**The Pennsylvania
Fire Insurance
Company**





Impress on your clients who are property owners the need of Residence Liability Insurance to protect them from loss due to negligence claims brought against them by people injured while legally on their property.

PROVED BY THE ACID TEST OF TIME

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

The National Underwriter

WEEKLY NEWSPAPER OF INSURANCE

Fortieth Year—No. 23

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JUNE 4, 1936

\$4.00 Per Year, 20 Cents a Copy

High Lights Seen in the Reports

Main Features in the Situation
Presented at National Board
Meeting

KOECKERT'S SAGE COUNSEL

Need to Keep the Business on Sound
and Substantial Basis to Meet
Demands

There were many excellent points brought out in the reports made at the annual meeting of the National Board. President F. W. Koeckert in his address stated that the preponderance of statistical evidence from all sections definitely indicates that the worst phases of the financial and economic depression are over. He accorded stock fire companies a high place of honor for the part they have played in helping to sustain the business fabric during a great crisis. He said there has never been any doubt in the public mind as to the safety and permanence of stock company insurance. Stock company fire insurance, he said, has developed into a great public service doing a great private benefit.

Must Have Strong Ballast

The ultimate and vital question, he said, must always be whether over a term of years the average underwriting profit remains adequate to provide companies with financial resources necessary to enable them unquestionably to meet any and all conditions that will inevitably confront them. President Koeckert said that there has been only one other five-year period in the history of the business for the last half century when the underwriting profit has been comparable with that of the last five years. During only five five-year periods has the underwriting profit exceeded 5 percent. For the 10-year period ending with 1935, the average underwriting profit was 4.49 percent. There have been three unusually profitable years.

Will Have Less Investment Income

President Koeckert called attention to the fact that in periods of heavy losses and especially in conflagration years companies through their investment resources keep their underwriting obligations and during a financial depression, when their investments severely shrink in value they need ample underwriting profits to carry them through safely. He called attention to the fact that all signs unmistakably indicate that the country has ahead of it an indefinitely prolonged period of abnormally low interest yield. This should be taken into consideration by fire companies in connection with their ballast of safety. The safety of stock insurance, he said, in the long run depends on the loyal adherence

(CONTINUED ON PAGE 30)

Wisconsin Licenses of Two Companies Are Suspended

RESIDENT AGENT LAW CASE

Mortensen Acts Against Northern of
London, National Liberty in Con-
nection with Catholic Church Business

NEW YORK, June 3.—Through Wolfe & Hart, Milwaukee, National Liberty and Northern of London will apply to the Dane county court for an order requiring Commissioner Mortensen of Wisconsin to renew their licenses.

For alleged violation of the Wisconsin resident agent law, Insurance Commissioner Mortensen has suspended for six months the licenses in that state of the Northern of London and National Liberty. These companies are charged with having paid commissions to the Martin Brothers general agency of Omaha on account of policies covering Catholic church property, located in Wisconsin, the commissioner taking the position this is Wisconsin-owned property.

The companies had gone on the assumption, they explained, that the church property was not owned in Wisconsin, although located there.

Notifies the Agents

Mr. Mortensen has notified all agents of the Northern and National Liberty in Wisconsin of the suspension of licenses and he has ordered the agents not to place any business with them during the six months period.

The Martin Brothers General Agency has controlled much of the Catholic church business throughout the country for many years. Occasionally, the operations of this office have become an issue. The National Association of Insurance Agents, through the "American Agency Bulletin" sometime ago published several articles on the subject.

There is some mystery concerning the actual practices of the agency in writing the business. There is an unincorporated concern known as the Catholic Mutual Relief Society. Certificates are issued by the Catholic Mutual Relief and they bear on the face the notation that they are receipts of donations from the church for the purchase of insurance. Martin Brothers then arrange the insurance and it is understood that the policies are retained by the agency and not put in the possession of the assured. Martin Brothers, it is understood, makes certain donations to the Catholic Mutual Relief Society, some of the directors of which are officers of the church. The certificate of the relief society is not a policy, but is merely a receipt for donation of money with which to purchase insurance. The companies that issue the actual policies are not in the position of reinsurers of the relief society.

Licensed Many Years

The Northern was licensed in Wisconsin in 1886, and the National Liberty in 1859.

Mr. Mortensen claims the companies violated Section 201.53, Subsection

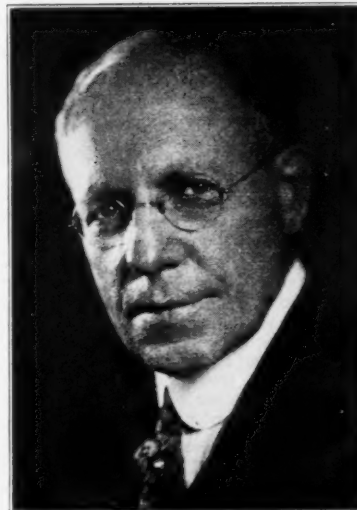
(CONTINUED ON PAGE 35)

W. S. Foster Now Retiring After Many Years Service

LONG WITH NORTH AMERICA

Associate Western Manager Started
with the Company as an Office
Boy in 1885

W. S. Foster of Chicago, associate western manager of the North America group, is retiring from active service after nearly 51 years with the organization, having started as an office boy in the old western department in



W. S. FOSTER

Erie, Pa., in July, 1885. He occupies a unique and useful position in fire insurance. He is a profound student of the business and has taken great delight in delving into some of its more puzzling and baffling ramifications. He is regarded as an authority on use and occupancy and the other consequential coverages. His mind has always been alert, he has been a great reader of the literature of insurance and agents, not only of his group but others have often consulted him on issues and problems arising. He has had a very sympathetic understanding of the work of the agents, he is always approachable, he is a gentleman of the old school and has found his desk the most fascinating and gripping place in his experience.

Finds Amusement at His Desk

He has often stated that he had discovered "more fun at my desk than anywhere else." In times past people have asked him when he intended to take a vacation. His reply was that he had a perpetual vacation because he met with more features of interest, more broadening influences and more emotional experiences at his desk than anywhere else.

He does not intend to lose interest in insurance but will keep in touch with future developments particularly in connection with special lines which he has studied and which he has been identified with for many years. He will

(CONTINUED ON PAGE 34)

State Officials' Meeting Program

Annual Convention Schedule of
the Insurance Commis-
sioners Next Week

SIDE ISSUES ARRANGED

Big Spotlight Event Will Be Started
Monday and Will Be Con-
cluded Friday

All insurance lanes lead to St. Paul next week as the annual convention of the National Association of Insurance Commissioners will be held at the Lowry Hotel there. The commissioners will arrive for the most part on Sunday night, a special delegation from the east and south stopping en route at different points. There will be committee meetings Monday. Commissioner and Mrs. Yetka of Minnesota will give a luncheon for visiting commissioners, members of their staffs and wives at the Lowry Monday noon. In the evening there will be a complimentary dinner for the commissioners and camp followers tendered by the St. Paul Insurance Exchange, the Minneapolis Underwriters Association and the Minnesota Association of Insurance Agents. Director Ernest Palmer of Illinois will be master of ceremonies. There will be a floor show.

Convention Starts Tuesday

The convention proper will start Tuesday morning with Commissioner Sullivan as president, in charge. Commissioner Yetka, Governor Olson and Mayor Gehan of St. Paul will give the welcome and the response will be made by Director Palmer of Illinois, who is first vice-president of the commissioners' organization. President Sullivan will give his address, followed by the report of the secretary, Jess G. Read of Oklahoma. Insurance Superintendent McNairn of Ontario will give his paper Tuesday morning on "Progress of Uniformity in Canada." At noon Tuesday there will be a luncheon tendered by the Minnesota Insurance Federation with John A. Hartigan, inspector of agencies of the Equitable Life of New York and former Minnesota commissioner, as toastmaster. The guest speaker will be J. S. Phillips, chairman of the board Great American Indemnity, who was formerly New York insurance superintendent.

Social Security Legislation

In the afternoon there are two papers announced on "Social Security Legislation" by Commissioners Yetka of Minnesota and Williams of Mississippi. Following adjournment there will be a sightseeing tour of St. Paul and Minneapolis, the ladies in one party stopping for tea at the Minikahda Club at Minneapolis, returning to the Women's City Club at St. Paul, for dinner. The men will go to the Lafayette Club at Lake

(CONTINUED ON PAGE 34)

Adjustment Bureau Year Is Reviewed by Paul L. Haid

INCREASE IN LOSSES HANDLED

Storm Claims in South and Auto and Special Risk Adjustments Brought More Work

Paul L. Haid, in his capacity as president of the Fire Companies Adjustment Bureau, was able to give a gratifying report at the annual meeting in New York. The number of losses handled increased from 117,720 to 141,939 in 1935. Paid losses decreased from about \$70,000,000 to about \$63,000,000. The bureau's representation on its losses adjusted increased from 94.6 percent to 96.1 percent.

The depletion of surplus was partially restored in 1935 and Mr. Haid said it will probably be completely restored by June 1.

The service charges increased slightly to 60 cents per \$100 and the average size of fire loss reduced from \$896 to \$887.

Auto, Special Risks Increase

Improvement in the record is due almost entirely to a large increase in the operations of the automobile and special risks departments and in the heavier storm losses throughout the south.

Storm losses in 1935 were the heaviest since the bureau was organized. The bureau paid storm losses in 1935 of \$4,089,000 as compared with \$1,230,000 in 1934. The average size loss went up from \$75 to \$130 and the cost of service decreased from \$11.05 to \$6.96 per \$100.

There is an opportunity for great improvement in handling storm losses so as better to reflect the true character of stock insurance. In the several serious hail storms in Oklahoma last year competition in actual adjustments was deplorable, he said. "Under such conditions," according to Mr. Haid, "there is grave danger that adjustment work will be substantially diverted from the lines of dignity, good principle and sensible business practice."

Bureau Efforts Impaired

Through introduction of competition, efforts of the bureau toward orderly management are interfered with and too frequently the best results are not obtainable. In the midst of the hurry and confusion attendant upon all catastrophes, the adjusting service should be orderly and there should be proper organization and control. No other adjusting agency, he declared, possesses facilities equal to those of the bureau for handling of storm and conflagration claims. There is a guaranty of systematic and efficient handling of claims. All such losses should be referred to the bureau. If the companies would issue such instructions positively, according to Mr. Haid, it would relieve the field men of embarrassment when they are solicited by personal friends among adjusters and when they are subjected to pressure of competition from the agent.

Competition in automobile losses has been excessive and unwholesome, according to Mr. Haid. He urged careful investigation of the character and qualification of adjusters that are used. Improvement in the method of handling small losses is vital, Mr. Haid said. When such losses are carelessly handled, the public gets an improper impression and there is an unfortunate effect upon the adjustment of all losses.

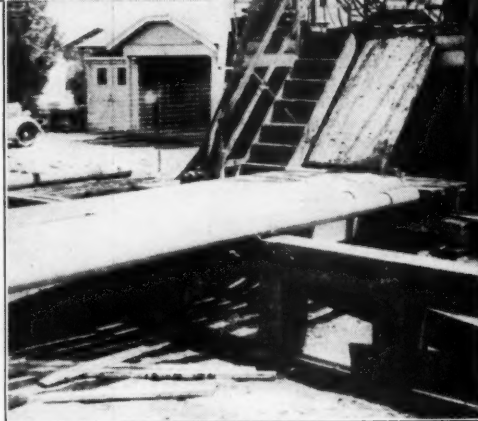
The plan of introducing more intimate and active personal supervision of the field is progressing. Field supervision has been set up wherever practicable at this time. The work is to be conducted over practically all territories by district supervisors.

(CONTINUED ON PAGE 34)

Oil Wells Invade Home Sections



The pictures shown herewith were taken in Oklahoma City just two or three weeks ago by C. C. Bloom of Chicago, farm superintendent of the Commercial Union. The houses are located north of 23rd



street and east of the Santa Fe tracks in the latest extension of the U-7 oil drilling zone in that city. The scenes are typical examples of the new development. Oil drilling is now being conducted in the higher class residential districts, in the midst of homes built in the last five to seven years. In this area an oil well is being drilled in every block. Householders whose property is within 40 feet of a well must pay an extra premium of \$6 per \$100 of liability while the drilling is in process and \$3 per \$100 liability after drilling is completed. The extra charge is graded down so that those whose property is more remote from the well pay less of an extra charge. Each property owner in the block receives a portion of the royalties from the well in his district and the property owner on whose premises the drilling takes place gets payment

for the lease. The value of the homes in the district in which the new wells are being sunk, ranges from \$10,000 to \$20,000. Insurance Commissioner Read of Oklahoma has received complaints about the extra charge that is being made to those in the neighborhood of the wells and he is taking steps to try to get the premiums reduced.

Starts Quiz of High Rates In New Oil Drilling Section

ISSUE IN OKLAHOMA CITY

Commissioner Read Acts on Complaint of Resident Whose Premium Increased From \$53 to \$719

OKLAHOMA CITY, June 3.—In a protest against the drastic increase of fire insurance rates on east side Oklahoma City property. Commissioner Read has asked a reduction of the "exorbitant rates in this section of the city." The action was prompted by complaint of Stephen D. Holloway of 640 East Madison avenue, who claimed that the fire premium on his home and garage had been increased from \$53.70 to \$719.70, or an advance of about 1,200 percent. An oil well is being drilled by the Phillips Petroleum Co., just across the street from the property, which is located in the midst of the recently zoned oil field, surrounding the governor's mansion.

Rates Called Confiscatory

Mr. Read explained that the rate manual permits companies to adjust their rates, and that premiums may go to \$4,000 or \$5,000 on the fine homes, under existing rates. This, he considers confiscatory and unwarranted.

The commissioner plans to ask the Oklahoma insurance board to have their rate expert make a full investigation of east side fire rates, and confer with Fire Chief Goff. He contended that the fire loss experience in this part of the city had not justified so high a premium rate, especially as oil companies are required to file a \$200,000 bond to indemnify surrounding property owners in case of loss.

"The insurance companies can not sustain their argument of such tremendous danger when the field is bonded against a greater loss than the property in the area represents," he explained.

Companies promised a study of the rate situation in this district after being advised of Mr. Read's protest, Manager C. T. Ingalls of the Oklahoma Inspection Bureau, stated.

O'Malley Protests Method in Oklahoma Investigation

Protest was filed with the Oklahoma governor by Superintendent O'Malley of Missouri against activities of an investigator of Missouri insurance companies who claimed to represent the Oklahoma insurance board. The investigator had letters of authority signed by Secretary Philpott of the Oklahoma board, but Commissioner Read disclaimed knowledge of the matter.

Mr. O'Malley stated the investigation was being conducted without notice to the companies involved and without knowledge of the Missouri department. He said the investigation was in violation of the usual orderly procedure in company examinations, designed to eliminate duplication, unnecessary expense and racketeering, and asked the governor's personal attention to the matter.

In reply, Philpott cited an opinion of the attorney-general, that the board had the same supervision and regulation authority in regard to rates and policy forms, over reciprocals and mutuals as over all other companies. He said, some mutuals and reciprocals had failed to comply with the board's order to file or refile rate schedules, rating methods, policy forms, etc., claiming that in Oklahoma they are not subject to order of the board.

Philpott indicated the Oklahoma board is not a member of the National Association of Insurance Commissioners although Commissioner Read is active in that organization, being the secretary.

THE WEEK IN INSURANCE

Commissioner Read starts an inquiry into the high fire insurance rates being charged property owners in the new oil drilling zone in Oklahoma City. **Page 4**

Annual fire loss in the United States is given for 61 years. **Page 6**

George D. Fairleigh, assistant secretary of the "Insurance Field," becomes managing editor of the "American Agency Bulletin." **Page 18**

The decision of Insurance Director Palmer is awaited on the three contracts which have been drafted by the Surety Association of America to be used in lieu of bankers blanket bonds. **Page 28**

New York properties under direct control of State Mortgage Commission will be written through a company pool. **Page 5**

Final plans are announced for the annual meeting of the Minnesota Association of Insurance Agents at St. Paul next week. **Page 5**

Underwriting results for 1935 and for the five-year period ending Dec. 31, 1935, given in National Board statistics. **Page 10**

All plans are ready for the meeting of the National Association of Insurance Commissioners at St. Paul next week. **Page 3**

Annual meeting of National Accident & Health Association is held in Chicago. **Page 27**

Health & Accident Underwriters Conference holds annual meeting in Chicago. **Page 27**

Paul L. Haid reviews the year's record of the Fire Companies Adjustment Bureau. **Page 4**

C. A. Nottingham, president, and all other officers are reelected at annual meeting of National Automobile Underwriters Association. **Page 5**

The 50th year of the Employers Liability in the United States is being celebrated this week in the home office city and in Swampscott, Mass., with a round of events. **Page 29**

W. S. Foster, assistant western manager of the North America group, is retiring from active service. **Page 3**

All officers are reelected at the annual meeting National Board. **Page 9**

London Lloyds is now offering a contract that will reimburse a risk that is insured on the retrospective plan for any debit that must be paid. **Page 29**

Insurance Commissioner Mortensen suspends for six months the Wisconsin licenses of the Northern of London and National Liberty. **Page 3**

Employers Liability introduces occupational rating plan for automobile in Michigan, Indiana and Ohio. **Page 32**

Insurance Superintendent Pink and J. A. Beha confer with Mayor LaGuardia of New York in connection with the latter's demand that auto liability rates be drastically reduced. **Page 31**

Majority of state bodies favor retrospective rating for workmen's compensation, according to executive officers of National Association of Insurance Agents. **Page 20**

Plans for the Minnesota Local Agents' Convention

COMPLETED PROGRAM GIVEN

Insurance Director Palmer of Illinois Will Be Toastmaster at the Dinner Monday Evening

ST. PAUL, June 3.—Addresses by insurance men of national repute will feature the day and a half annual meeting of the Minnesota Association of Insurance Agents June 8-9 here.

Monday morning reports will be presented by President C. O. Brown, Rochester; Executive Secretary R. M. Thompson, Minneapolis; E. A. Stork, Albert Lea, on membership; P. H. Ware, Minneapolis, on agency qualifications, and C. F. Liscomb, Duluth, national councillor.

Following a luncheon at the St. Paul hotel, there will be round table discussions led by Ray Ostrander, Albert Lea, and Howard Williams, Mankato, members of the Southern Minnesota Regional Association, and Royal Huber of the Range Association of Insurance Underwriters.

Three Set Addresses

Three addresses are scheduled for Monday afternoon. W. H. Bennett, secretary National Association of Insurance Agents, will speak; William Quaid, New York, vice-president Southern Fire, will talk on "The Value of the Trade Association to the Local Agent," and B. F. Costello, chairman of the insurance committee of the Minnesota house, will discuss legislation. An open forum will complete the Monday program.

At the annual dinner Monday evening at the Lowry Hotel Ernest Palmer, director of insurance for Illinois, will be toastmaster. George Radcliffe of the Insurance Exchange of St. Paul is in charge of the program.

D. W. Johnson, deputy commissioner of Minnesota, will speak Tuesday morning. Reports of the nominating and resolutions committees and election of officers will conclude the work of the convention.

Want Full Time Secretary

At the Minnesota meeting the members will again be asked to vote on the proposition of employing a full time secretary. The proposal will be advanced by the southern Minnesota regional group of which President C. O. Brown of the state association is one of the leaders. The same issue came before the 1935 annual meeting but was not adopted.

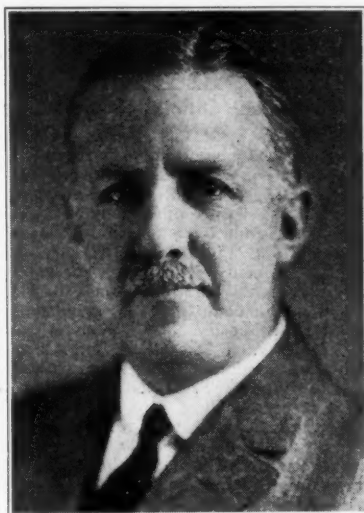
Greetings will be given by Mayor Gehan of St. Paul and President S. C. Aldridge of the St. Paul Insurance Exchange. The response will be made by E. C. Huhnke of Duluth, a member of the executive committee of the state association.

Illinois Department Men Start Consulting Office

The chief examiner of the Illinois insurance department, Chase S. Conover, and the assistant actuary, W. C. Green, are resigning to form the firm of Conover, Green & Co., insurance consultants and actuaries. They will be located at 120 South La Salle street, Chicago. Both men are well known and respected by the business and their services will doubtless be extensively sought.

Mr. Conover has been connected with the department something over 12 years. For nine years he was an examiner, making examinations of all classes of companies—life, fraternal, casualty and fire. He was appointed chief examiner by Insurance Director Palmer about 3½ years ago and he has thus had an opportunity to study the operations of practically every insurance

Auto Executives Reelected



C. A. NOTTINGHAM

C. A. Nottingham, deputy United States manager of the Royal-Liverpool group, and United States manager of the Prudential of England and Skandia, the reinsurance companies, was reelected president of the National Automobile Underwriters Association at the annual meeting. C. C. Hannah, eastern manager of the Fireman's Fund, Boston, was reelected vice-president and Charles Case, assistant manager of the North British & Mercantile, was reelected treasurer.

G. C. Long, Jr., vice-president of the Phoenix of Hartford, was elected to the board as representative at large. The divisional directors are: Sheldon



C. C. HANNAH

Catlin, vice-president North America; J. C. Harding, resident executive vice-president Springfield F. & M., Chicago, mid-western; William Deans, Selbach & Deans, San Francisco, Pacific Coast, and Eugene Ransom, assistant manager Commercial Union, Atlanta, southern.

The number of directors has been reduced from 16 to 11 by vote of the association.

B. M. Culver, president America Fore companies, gave an interim report as chairman of the special committee on finance business. He said the committee is continuing to study the various phases of the problem, which has caused much discussion.

organization in Illinois and many domiciled in other states.

Mr. Green was for eight years connected with Coates & Herfurth, consulting actuaries of San Francisco. During that time his work covered public and private retirement systems, fraternal and casualty, in addition to life insurance consulting. He joined the Illinois department three years ago. He is a graduate of the University of Michigan and is an associate of the Actuarial Society of America, American Institute of Actuaries and Casualty Actuarial Society.

Celebration at Philadelphia

Insurance Federation of Pennsylvania to Observe State Insurance Days; 5,000 to Attend

PHILADELPHIA, June 3.—The 1936 Pennsylvania Insurance Days Celebration of the Insurance Federation of Pennsylvania, which gets under way tomorrow at the Bellevue-Stratford Hotel in Philadelphia, promises to be one of the outstanding insurance gatherings of the year. From all indications the registration will come close to 5,000.

The conclave also will observe the 200th anniversary of the birth of fire protection in the United States—the Union Fire, first volunteer fire company in America, having been started in Philadelphia in 1736 by Benjamin Franklin. The dinner in honor of President Kingsley of the Penn Mutual Life on Friday night will be broadcast in part by station WFIL. While the stations are indefinite at this time, it is highly probable the dinner will be carried on a national broadcast, making it one of the few insurance affairs to be so honored by the radio.

The Insurance Days will officially open with the luncheon conference tomorrow. John A. Stevenson, general chairman of the convention, will call the

session to order and will preside during the address of Mayor Wilson and "Jim" Murray, of Pittsburgh. Commissioner Hunt will act as chairman during the program which will follow, which has been arranged by the Accident & Health Club of Philadelphia.

Dr. S. S. Huebner and J. R. Duval will speak and John F. Leibig, president Accident & Health Club of Philadelphia, will discuss "New Opportunities in the Income Protection Field." The regular federation annual meeting will follow the luncheon conference. Tomorrow night all of the delegates will be the guests of the Philadelphia Health & Accident Alliance at a smoker.

Workmen's Mutual Fire Is Extending Its Operations

NEW YORK, June 3.—The Workmen's Mutual Fire of New York, which writes fire covers on household furniture exclusively, is expanding its operations, having recently applied for licenses in Connecticut, Pennsylvania, California and Missouri. It plans to go into Wisconsin and Minnesota later. Besides its home state it is now licensed in New Jersey, Illinois and Maryland. The company obtains its business by mail and through those already insured. It has no connection with any other insurance company or any labor organization.

The Workmen's Mutual Fire operated as fraternal fire organization for 64 years until reincorporating as a mutual two years ago. It has \$292,793 surplus and assets of \$1,107,068. Its officers are Bruno Wagner, president; Ludwig Schmidt, vice-president; Richard Pohle, recording secretary; Usher Solomon, treasurer, and John Hofmann, executive secretary.

J. W. Matthews, Illinois examiner for the Home group, Chicago, will spend the month of June traveling with field men throughout the state.

State Mortgage Commission Will Use a Company Pool

OUTLINE NEW YORK SCHEME

Fire and Allied Lines Will Be Written Through Syndicate and Casualty Will Follow

NEW YORK, June 3.—Under an arrangement effective June 1, all fire and allied insurance on properties under the direct control or management of the state mortgage commission will be written through a pool of companies, issuing offices to be the Home, Great American, Continental, American Equitable and United States Fire, all domiciled in this city. Invitations will be extended 77 companies in all to participate.

A statement issued by W. P. Barker, chairman of the committee recites in part that:

"Inasmuch as over 95 percent of the business under the jurisdiction of the commission covers in Greater New York, it was felt that the most equitable basis of participation should be based on the premium writings of the respective companies in Greater New York, the basis used being the premium writings as reported to the New York Board of Fire Underwriters for 1935. All companies reporting premium writings of not less than four-tenths of 1 percent of the aggregate so reported will be invited to participate. Under this plan there will be very few companies not participating, directly or indirectly, an analysis indicating that a great number who will not directly qualify as pool members will have participation through the medium of their parent or affiliated companies."

It is figured the number of properties to be insured under the new deal will be between 3,000 and 4,000. Properties where owners are in possession, numbering between 800 and 10,000, will place insurance direct. With a fire pooling agreement effected, a similar plan for handling casualty lines, it is understood, will shortly be worked out by the committee.

W. J. Kulp Is New Chairman

W. J. Kulp of Denver, manager of the Mountain States Inspection Bureau, was chosen as the new chairman at the annual get-together of inspection bureau managers in the western territory at French Lick Springs, Ind. Mr. Kulp served as vice-chairman for the past year. The retiring chairman is J. S. Glidden, manager of the Chicago Board.

Zemek Undergoes Operation

M. J. Zemek, formerly of the Ocean Accident in Chicago, now head of the insurance department of Colgate-Palmolive-Peet, underwent an appendectomy in New York.

A. J. Jolley, Marietta, O., agent, has purchased the W. J. Dutton Insurance Agency.

Expert Raps Break-neck Speed in Going to Fires

At the fire department school conducted at St. Joseph, Mo., there was a new thought expressed by experts, that being the folly of breakneck speed in driving to a fire. Clarence Goldsmith of the National Board at Chicago claimed that the time gained in answer to alarms did not justify the danger involved. Tests were made with apparatus to support his position and reaction time was subjected to scientific methods. The point was made that there was too much danger both to firemen and apparatus as well as to pedestrians and others on the streets to continue the terrific speed that has been in vogue with fire apparatus.

Annual Fire Losses for 61 Years Are Reported

The committee on statistics and origin of fires of the National Board gives the annual fire loss in the United States for 61 years ending Dec. 1, 1935, as follows:

Year	Property Loss	Year	Property Loss
1875	\$78,102,285	1906	\$518,611,800
1876	64,630,600	1907	215,084,709
1877	68,265,800	1908	217,885,850
1878	64,315,900	1909	188,705,150
1879	77,703,700	1910	214,003,300
1880	74,643,400	1911	217,004,575
1881	81,280,900	1912	206,438,900
1882	84,505,024	1913	203,763,550
1883	100,149,228	1914	221,439,350
1884	110,008,611	1915	172,032,200
1885	102,818,796	1916	258,377,952
1886	104,924,750	1917	289,535,050
1887	120,283,055	1918	353,878,376
1888	110,885,665	1919	320,540,399
1889	123,046,833	1920	447,886,677
1890	108,993,792	1921	495,406,012
1891	143,764,967	1922	506,541,001
1892	151,516,098	1923	535,372,782
1893	167,544,370	1924	549,062,124
1894	140,006,484	1925	559,418,184
1895	142,110,233	1926	561,980,751
1896	118,737,420	1927	472,935,989
1897	116,354,575	1928	464,607,102
1898	130,593,905	1929	459,445,778
1899	153,597,830	1930	501,980,624
1900	160,929,805	1931	451,643,866
1901	165,817,810	1932	400,859,554
1902	161,078,040	1933	271,453,189
1903	145,302,155	1934	271,197,296
1904	229,198,050	1935	248,763,856
1905	165,221,650		

Note.—Previous to 1916 figures were obtained from the Records of the Journal of Commerce, deducting the Canadian losses. Subsequent years were based on returns to our Actuarial Bureau Committee. Thirty per cent is added for unreported and uninsured losses.

COMPARATIVE FIRE LOSSES

	Population	Total Loss	Per Capita
1931—Whole country	124,070,000	\$451,643,866	3.64
454 cities	51,084,000	\$125,933,681	2.47
1932—Whole country	124,822,000	\$400,859,554	3.21
453 cities	51,295,000	\$113,947,789	2.22
1933—Whole country	125,693,000	\$271,453,189	2.16
461 cities	51,553,000	\$77,686,291	1.51
1934—Whole country	126,425,000	\$271,197,296	2.15
468 cities	51,179,000	\$82,770,851	1.59
1935—Whole country	127,520,000	\$248,763,856	1.95
469 cities	52,184,000	\$69,720,824	1.33

*Estimated from records of the Actuarial Bureau. †Figures reported by Fire departments.

Kentucky Court Approves General's Five Year Plan

LOUISVILLE, June 3.—The Kentucky appellate court has affirmed the Franklin county circuit court upholding validity of the General of Seattle five year term policy as written on the basis of full premium for first year and 75 percent of annual rate payable the next four years. This was in violation of rules of Kentucky Actuarial Bureau. The decision was on a suit brought by former Commissioner Reed who held that the policies were discriminatory and a form of rebating.

D. H. Macaulay Is Dead

D. H. Macaulay, marine superintendent for the Aetna Fire in Canada, died of meningitis at the Royal Victoria Hospital in Montreal. Mr. Macaulay, although a comparatively young man, had been in the marine insurance business for many years. He began with Macaulay, Nicolls, Maitland & Co., general agents in Vancouver, in 1918. In 1931, after about 10 years with the marine department of the Home he became marine special agent in Canada for the Aetna Fire. Two years later he took over the supervision of the marine business of these companies in Canada with headquarters in Toronto.

Seeks Georgia Commissionership

ATLANTA, June 3.—W. B. Harrison, former comptroller general and in-

surance commissioner of Georgia, who was deprived of his office by Governor Talmadge several months ago for his refusal to turn over taxes collected by his departments to the state treasurer, without legislative authority, has made formal announcement of his intention to run for the office he formerly held. No other candidate, so far, has made any announcement.

Department Official Goes Wrong

LANSING, MICH., June 3.—Commissioner Ketcham signed a warrant for the arrest of A. D. Cline, former chief clerk of the Michigan department, who is charged with embezzlement of department funds over a period of several years. The shortage in the accounts so far revealed by an as yet incomplete audit amounts to some \$1,600, it is alleged in the complaint. A specific item cited is embezzlement of \$450 on April 14, 1936, when Mr. Cline is alleged to have pocketed that amount after changing a duplicate receipt from \$564 to \$114.

Mr. Cline, who was relieved of his duties sometime ago after the shortage had been discovered and he, according to Commissioner Ketcham, had confessed his responsibility to his chief, had been with the department about nine years, the last year as chief clerk.

Indiana Blue Goose Outing

Over 70 participated in the golf tournament and dinner of the Indiana Blue Goose Monday afternoon at the Broadmoor Country Club. W. J. E. Webber awarded six prizes based on blind par scores in the following order: Edward Waltman, Royal; G. W. Bercier, Hanover; W. R. Caskey, Travelers Fire; Morris Grain, American; J. J. Ronayne, Commercial Union; D. S. Davis, Royal. The cup for lowest gross was awarded to Edward Waltman.

Most Loyal Gander G. L. Heinz presided at the dinner. Local agents present, introduced, were A. W. Jenkins, Richmond, Ind., and R. C. Fox and J. R. Welch, Jr., of Indianapolis. Mr. Fox extended an invitation to attend a field day that will be given by the Indianapolis Insurance Agents Association, of which he is president, in July.

Leonhard Appointed in Wisconsin

F. D. Leonhard has been appointed special agent in Wisconsin for the Pearl Assurance, Eureka-Security and Monarch Fire, to assist State Agent Fred W. Weineck. Mr. Leonhard was born in Wisconsin Rapids, and started his insurance career in 1923 when he went into the field for the Mayville Mutual and a year later was appointed special agent in Wisconsin for the National Fire of Hartford. In 1932 he went with the Fireman's Fund, remaining until 1934 when ill health compelled him to retire temporarily from active work. His brother, George J. Leonhard, Jr., is owner of the Main Insurance Agency at Madison, Wis.

Protests New Auto Rates

Commissioner Sims of West Virginia is standing pat on auto rates in stating that the new rates the Automobile Underwriters Association proposed for West Virginia failed to convince him they should be put into effect.

Several weeks ago the association offered one new schedule, claiming it would reduce fire rates 51 percent, increase collision charges 15 percent and make no changes in theft rates. Commissioner Sims said an examination showed him the proposal would result

R. A. Julian, Ohio Inspection Bureau, will speak at the luncheon. In the afternoon the Columbus All Stars under the captaincy of Paul Lorey will play a baseball game against the All State Competitors directed by Fred C. Wolf of Cleveland. W. J. Gildsford and Earl A. Reid of Columbus will be the umpires. A swimming exhibition will be a feature. W. L. Cowan is chairman of the entertainment committee.

General Chairman



GEORGE W. WELLS, Minneapolis

George W. Wells of Minneapolis, secretary Northwestern National Life of that city and former Minnesota commissioner, is general chairman of the arrangements committee of the big convention of the commissioners in St. Paul next week.

New Indiana Directory Out

State Handbook and Reference Work Gives Complete Insurance Picture of the State

The Underwriters' Hand-Book of Indiana for 1936 has just come from the press of THE NATIONAL UNDERWRITER. This, the oldest state insurance directory in the west being first published in 1891, gives the complete information on Indiana insurance-wise.

In compiling the agency directory department, which gives the complete list of all agents licensed to operate in the state together with the companies which they represent, other business transacted, date established, etc., the compilers have found that in 1936 the Indiana department issued 29,111 licenses compared with 27,674 in the previous year. The most notable change was that in the life insurance licenses which dropped from 4,202 in 1935 to 3,637 in 1936. This drop was caused by the cutting out of part-time life agents licenses in Indiana and was noticed in connection with the majority of the companies. An increase of about 900 stock fire licenses and stock casualty brought the total up, there now being 14,474 stock fire licenses and 8,820 stock casualty licenses.

Interesting Statistics

The compilers of the Indiana Hand-Book secured from the Indiana insurance department the statistical information showing the record of business in 1935 prior to the publication of the state insurance report and it is published in the hand-book for the first time.

The Indiana Hand-Book gives the record of fire insurance in Indiana for the past five years. A new feature this year is the breakdown of the 1935 fire

principally in increases with a few minor decreases on some makes of cars.

H. E. Peabody, who has been an agent of the Fidelity & Casualty, has been admitted to partnership with W. L. Lantz, 1012 Transportation building, Detroit, and the agency name has been changed to Lantz-Peabody & Co. Mr. Lantz will specialize in fire and Mr. Peabody in casualty insurance.

Iowa Local Agent Passes Another Notable Milestone



E. S. PHELPS

E. S. Phelps of Burlington, Ia., was honored in his home city by the Phoenix of Hartford due to the fact that Mr. Phelps has represented the Phoenix for 50 years. This is the sixth company that Mr. Phelps has represented in Burlington continuously for more than 50 years. Vice-president George W. Holton went to Burlington for the occasion and in presenting Mr. Phelps with an electric clock, said that he is the only agent of the Phoenix west of Pennsylvania who has served continuously for more than 50 years. Others at the dinner included State Agent P. J. Paysur and Special Agent G. F. Pickens.

Gibson Heads Ohio Field Unit; Heller, Preventionists

COLUMBUS, O., June 3.—The Ohio Fire Underwriters Association, at its annual meeting in Columbus this week, elected A. R. Gibson of the Hanover president and P. Fred Baughman, North America, vice-president. Howard R. Underwood, Providence Washington, was reelected secretary; W. L. Cowan, New York Underwriters, and Frank Gibbs, Atlas, were elected members of the executive committee for two years and D. E. Tanner, Commercial Union, for one year. Robert C. Hosmer, Jr., Excelsior of New York, and H. G. Murphy, U. S. Fire, were elected to membership.

The Ohio Fire Prevention Association elected L. C. Heller, Providence Washington, president and H. P. Winter, Continental, vice-president. W. H. Witherspoon, Aetna Fire, was made secretary, and W. W. Waters, Ohio Farmers, who has been secretary, was made chairman executive committee. An inspection will be held in Columbus in October. Inspections are proposed for Painesville, Steubenville, Ashland and Marietta.

The Ohio Fire Underwriters Association is holding its summer meeting at Uniontown, Pa., June 25-26. A business meeting will be held on the morning of the first day, to be followed by two addresses, one by Fred H. Reis, Employers Fire, on "Mutual Operations." There will follow a golf tournament under the direction of W. H. Witherspoon, E. O. Thompson and K. J. Hoag. A women's bridge party will be held, sponsored by Mrs. Ray S. Winward, Mrs. Witherspoon and F. G. Lisle. In the evening there will be a banquet, floor show and dancing.

The following morning A. E. Bulau of the Home will show his motion pictures of historical scenes in Ohio and

By Cable By 'Rikisha



Harbor at Bombay, India. Photo by Ewing Galloway



By cable we were informed of the loss . . . our insured had lost a trunk containing valuable personal effects while it was being transported from the steamer to her hotel in Bombay.

We cabled our representative at Singapore, the insured's next port of arrival, to ascertain the amount of loss and pay the claim. By 'rikisha our Agent reached the insured and verified her loss. With a minimum of delay we presented her with the much appreciated check . . . making it possible for her to replace the lost wardrobe while on the cruise. (This is just one of many similar experiences to be found in the claim files of Royal-Liverpool Companies. Such a loss is an exacting test of an insurance company's claim to the world-wide service offered under the Personal Effects Floater. True world-wide service, however, must exist at home as well as abroad, and in the United States fifteen thousand Agents and claims representatives located at strategic points throughout the country stand ready to assist our insureds.

An "all-risks" Personal Effects policy in a Company of the Royal-Liverpool Groups makes this far-reaching service available to your traveling clients. Why not write today, addressing the Inland Marine Department, for additional information?



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business—premiums and losses—into fire and windstorm insurance, automobile insurance and "all other" insurance. A glance at these figures shows that the stock fire insurance premiums in 1935 in Indiana were \$16,312,538 compared with \$15,347,688 and that the losses dropped from \$6,417,974 to \$4,897,013 from the previous year. The total premiums for all fire companies in the state for 1935 were \$18,991,935 and the losses were \$10,487,600. The premiums show an increase from the previous year and the losses show a drop of about \$2,000,000. The premiums are divided approximately \$13,000,000 for fire and windstorm insurance, \$2,300,000 for automobile insurance and \$3,500,000 for all other lines.

Casualty Insurance Figures

For casualty insurance the Underwriters Hand-Book gives the record for the past two years classified as to lines of insurance written and this shows that the 1935 premiums were \$22,733,291 compared with \$20,060,019 in the previous year. Losses showed a slight increase from \$8,488,017 to \$9,264,075.

Besides the agency and statistical information the Indiana Hand-Book gives companies licensed to operate in the state, their field men, local branch offices, etc. Other miscellaneous infor-

mation shows the list of adjusters, attorneys, local organizations and many items of interest such as the associations with which the various companies are affiliated or non-affiliated, the lines written by the various stock fire and casualty companies and the insurance laws in the state.

All in all the Indiana Hand-Book is a veritable mine of information and is especially interesting and helpful to anyone interested in insurance in Indiana.

Northwest Gives Concern

Hail insurance experts are worried just now because of the drouth conditions throughout the northwest. This is a critical time in that territory and much damage will be done unless good rains are forthcoming shortly. Despite the fact that there was heavy snow throughout the northwest, there is no subsoil moisture today. The hail writing companies report that they are about 50 percent ahead in premium writings this year as compared with the same date last year. The increase came from eastern Kansas, Nebraska and those parts of Oklahoma that were not affected by the drouth.

The Automotive Insurance Underwriters, Mitchell, S. D., has changed its name to E. W. Smith Company.

Pascoe Rutter Sizes Up the U. S. Insurance Situation

Insurance people in this country are always interested in the annual message of Sir Frederick Pascoe Rutter, governor and chairman, at the annual meeting of the London & Lancashire at the head office. On these occasions, he scans the world scene, politically, economically and from the insurance point of view. His estimate of the United States, currently, is most interesting. He recalled that he visited this country last November.

"The restoration of confidence in the United States was the first important thing to be accomplished if any sound reconstruction were to take place," he observed. "Opinions differ as to whether the reconstruction has been sound, and many competent business men believe that the revival would have come about in any case without incurring such a heavy cost. But the fact remains that the country is now in a very much more prosperous condition than it was three years ago, and, while some people seem to think that it is Alice in Wonderland over again, it looks extremely probable that the majority of the people in the United States feel, and will say, that, after all, Alice has put on weight and is none the worse for her wayward and unusual experiences."

"The expenditure and the consequent taxation may or may not have been wise."

"Undoubtedly, some day heavy and, what some think, undue taxation of the rich has to come. We ourselves have had the experience of it spread over a long series of years, and the United States is almost certain to follow it some time or other. The only difference is that we were gradually inoculated by systematic injections, whereas in the United States the needle went in suddenly with a substantial dose. But what I do doubt is the wisdom of their having exploited the perniciousness of estate duties as a contributor to annual income, which, once inaugurated, will never cease, but probably grow."

"As we know, in this country, the heavy estate duties are sapping the capital (the backbone of the country's wealth) which should have been preserved as a valuable cushion and re-

serve fund. For you cannot take away capital without destroying the income which that capital has been providing."

Insurance results in the United States in 1935 were distinctly satisfactory, he said. Casualty business, although yielding but a bare profit, was better than in 1934, and the fire business was exceptionally good.

Although the London & Lancashire generally has been accustomed to making at least a 10 percent profit on its fire business, it has scarcely ever happened that the United States has come up to this standard. Not since 1919 has there been a better record for the London & Lancashire in its fire business in the United States than 1935.

The repetition of this experience cannot be expected in 1936. Sir Frederick pointed to the heavy increase in losses in the early months of this year due to the severe weather conditions. He referred to the rate reductions which he estimated at 10 percent.

In only nine of the states of the union, he pointed out, do the companies have a free hand in rate making. Not only does state regulation of rates have a tendency to hold the tariff down, but the expense of governmental supervision cuts into the profit.

In the fire account, the London & Lancashire made a profit of £443,789 or 15.78 percent. In the accident department there was an increase in premiums of £160,000 and the profit is £72,716 or 3.32 percent. In the marine end, the profit was £185,509, or 17.82 percent.

Premium income in the fire, accident and marine departments increased by £148,020, the total income being £6,042,094. The expense ratio was 40.01 percent and the profit before deducting British income tax was 11.62 percent as compared with 10.17 percent in 1934.

The consolidated balance sheet of the London & Lancashire and its allied companies shows total assets £28,178,072, capital £1,455,724, reserve funds £2,000,000, fire funds £3,524,962, marine funds £1,416,444, accident funds £1,875,433, balance of profit and loss account £2,134,191, loss reserve £1,433,884, life liability Law, Union & Rock, £11,290,438.

North Carolina Agents Program Is Announced

The program has been completed for the annual meeting of the North Carolina Association of Insurance Agents to be held at Hendersonville, June 15-16. On the first morning, President W. deR Scott of Graham will give his address. The report of the administration will be made by L. E. Dimmette of Lenoir, vice-president. Manager S. G. Otstot will give a report. There will be greetings from the North Carolina department by Commissioner Boney; from the American Association of Insurance General Agents by L. E. English, chairman of its executive committee; from the S. E. U. A. by Assistant Secretary P. B. Hulfish; from the North Carolina Inspection & Rating Bureau by Manager Landon Hill; from the Field Men's Conference by Chairman Godfrey Cheshire, Fidelity & Guaranty Fire. A. B. Morgan of Raleigh, treasurer, will give the financial report.

There are two set addresses, the first one being by W. O. Wilson, Richmond, Va., chairman executive committee National Association of Insurance Agents and the other by B. C. Taylor, Baltimore branch, U. S. F. & G.

There will be a golf tournament in the afternoon. At the dinner that evening President Paul L. Haid of the

Insurance Executives Association of New York City will be the speaker.

On the morning of the 16th, R. L. Price, president Charlotte Exchange, will report on the mid-year National meeting at Atlanta. S. J. Fisher of Asheville, chairman special Pinehurst committee, and Ben S. McKeel of Raleigh, chairman committee on rates, rules and forms, will give reports. Vice-president George C. Long of the Phoenix of Hartford will be the speaker of the session.

Frank A. Eubank, president Henderson Exchange, is general chairman of the arrangements committee.

Senn Heads N. Y. Examiners

George Senn, Yorkshire, was elected president of the Fire Insurance Examiners Association of New York at the annual meeting. W. F. Moore, North British, is vice-president, Harry Heuer, Norwich Union, secretary, J. J. Mahoney, Pennsylvania, recording secretary, and William Cuddy, Commercial Union, treasurer.

The featured speaker was Capt. J. H. Ayers, formerly in charge of the missing persons bureau of the New York police department.

Manuel Fornier, 41 years old, was indicted on a first-degree arson charge by the Bronx county grand jury. He is suspected of attempting to fire a 40-family building on Macombs Road.



FIRE ASSOCIATION OF PHILADELPHIA

ESTABLISHED 1817

LUMBERMEN'S INSURANCE COMPANY

ESTABLISHED 1873

THE RELIANCE INSURANCE COMPANY

ESTABLISHED 1841

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Much Interest in Annual Meet of National Board

NEW YORK, June 3.—All former officers of the National Board were re-elected at the annual meeting, according to the custom of having the officers serve two terms. President F. W. Koeckert is United States manager of the Commercial Union; Vice-president P. B. Sommers, president of the American of Newark; Secretary Sumner Ballard, president of the International and Treasurer B. M. Culver, president America Fore group.

General Manager W. E. Mallalieu, having served in such capacity for the past 25 years, begins a new period, while Assistant General Manager C. H. Lum of San Francisco will continue as manager of the board on the coast.

To replace members on the executive board whose terms had expired the following were chosen: J. Lester Parsons, president United States Fire; C. V. Meserole, president Pacific Fire; Montgomery Clark, president Hanover; G. C. Long, Jr., vice-president Phoenix of Hartford, and Gilbert Kingan, United States manager London & Lancashire. Continuing members include: W. Ross McCain, president Aetna Fire; J. O. Platt, vice-president North America; C. F. Shallcross, United States manager North British & Mercantile; Ray Decker, Pacific Coast manager Royal-Liverpool groups; R. P. Barbour, United States manager Northern Assurance; F. B. Luce, vice-president Providence Washington; J. R. Cooney, president Firemen's; J. H. Vreeland, United States manager Scottish Union; Gustavus Remak, Jr., president State of Pennsylvania, and E. W. Nourse, United States manager London.

The executive committee selects its

Mistake of Mutual Agent May Not Be Rectified

The inadvertence of an agent of a mutual company in not properly arranging for the desired coverage may not be rectified by reformation of the policy following loss, as may be done where such a mistake is made by an agent for a stock fire company. For that reason, the Kansas supreme court has held in *Union Central Life vs. Zehr*, that a policy in a mutual company issued to Zehr is void as to him despite the fact that through fault of the agent the application for the policy failed to disclose the property was encumbered by second mortgage, which was in process of foreclosure.

Zehr signed the application without reading it and omission of reference to the second mortgage and its foreclosure was the fault of the agent. The adjuster denied all liability but the company did settle with the owner for loss of the household goods and for the unearned premium on the building policy.

Upholds Lower Court

The supreme court upheld the theory of the lower court that it is the duty of an agent of a stock company to prepare the application so that it will actually and truthfully state the result of the negotiation, and the agent's failure to do so is in legal effect the fault of the insurer. A different rule applies to Kansas mutual fire companies. Policies in such companies can be issued only on written applications, which even the secretary of the company would have no authority to waive. The by-laws become a part of the contract and are binding on the member insured. Since the by-laws provided that the policy should be void in the event of a non-disclosed mortgage, it must be held that the policy was void as to Zehr.

However, the mortgagee was entitled to recover because there was a mortgage clause on the policy.

own chairman, and this will be done at an early date. F. D. Layton, president of the National Fire, served in such capacity the past year.

Attendance exceeded that of any former time.

The subscription dinner at the Hotel Pierre in the evening was a thoroughly enjoyable affair. The entertainment, which included dancing, singing and juggling, was up to the standard of that in former years. The only speaker was Vice-president Guy Emerson of the Bankers Trust Company of New York.

Ralph T. Turner, aged 60 years, an official of the Ohio Farmers and a prominent resident of LeRoy, O., died Sunday night from a heart attack. He had been with the Ohio Farmers since 1922 in the automobile department, and in recent years was office manager. He was secretary of the LeRoy Players Club, and active in other community undertakings. He was a brother-in-law of President F. H. Hawley of the company.

Now a Director



J. C. Hiestand

J. C. Hiestand, since 1920 connected with the Ohio Farmers at LeRoy, has

Dominion F. P. A. Will Hold Annual Meeting at Ottawa

The annual convention of the Dominion Fire Prevention Association will be held at Ottawa June 18 and 19, immediately following the annual conference of the Canadian Fire Marshals Association.

The program will include the following subjects: Dominion-wide regulation of gasoline hazards; safety precautions in the home; adoption of an educational course for agents and fire department officials; marine and inland transportation hazards; industrial fire protection; spontaneous ignition of farm products, in addition to numerous reports from provincial fire officials and special committees of the association.

Albert Kuehne, veteran St. Louis agent who died in Anaheim, Cal., left an estate of \$136,745, inventory shows. He was vice-president of the Insurance Agency Company and general agent for the Commercial Union Assurance.

been elected a director. At the same time he was chosen as director of the Ohio Farmers Indemnity, succeeding the late N. R. Chalfant in both companies. Mr. Hiestand has been secretary of both companies, having held that position since 1932.



Your CASTLE

The achievement of a goal— A HOME of your own!

Realized only with struggle, economizing, worry, planning, expense;

Where you now reign as lord and master—not the vassal of a landlord.

It gives you a status in your community;

It represents accomplishment—a yardstick of your business success.

The ideal background for the up-bringing of your children;

A haven of refuge—

Your WORLD!

—So begins a new and different style of folder, which, now a part of our Supplemental Contract Sales Service, is selling this coverage to home-owners more easily than ever.

It is available to all of our Agents—and prospective Agents—who realize the advantage in selling the Supplemental Contract now. If you want more of this business, write to the Sales Promotion Department of the American Group, 15 Washington Street, Newark, N. J.

American Gets Insurance Slant at Home Owner

Harold E. Taylor, sales promotion manager American, announces results of a consumer analysis of insurance buying-habits among home-owners. The names of home-owners in all sizes of communities in each state were obtained and they were induced to tell the American what kinds of insurance they now carry and what new kind of insurance they would add next. The population divisions included communities of under 5,000 population; 5,000 to 50,000; 50,000 to 100,000; and over 100,000 population in every state except Vermont.

The figures show that 96 percent of those who replied are carrying some fire insurance on their dwellings, but only 42 percent are carrying full insurance to value. Whereas only 2 percent of those who now carry no fire insurance are planning to buy some, 13 percent of those who are partially insured are planning to increase it to full insurance. The present market, therefore, is among homeowners who are partially

insured; and the selling theme is not "You should carry fire insurance on your home" but, rather, "You should carry more fire insurance."

Household Goods Situation

In the field of fire insurance on household goods, the situation is about the same. Ninety-three percent carry some fire insurance, but only 36 percent carry full insurance to value. While 10 percent of those who carry none are planning to take some, there are 13 percent who already have some and are planning to increase it to full insurance to value. Here, again, the greater sales opportunity is in endeavoring to sell more to those who already have some.

Rental value insurance, though needed by every home-owner, proves to be one of the coverages most seldom carried. Only 5 percent stated they now have rental value insurance, and a checking of the replies showed that more persons had never heard of this form of protection than of all other forms combined. Many apparently intelligent home-owners wrote opposite this question "What Is Rental Value Insurance?" This indicates that rent and rental insurance offer a fertile field for activity.

Forty-seven percent said they now carry windstorm insurance, and another 13 percent said they planned to buy it. With 60 percent of the home-owners

carrying windstorm, and many of the states now reducing the rate on supplemental contract to a figure less than that formerly charged for windstorm, there is a great opportunity to sell the supplemental contract, Mr. Taylor observes.

Inland marine coverages offer an exceptional opportunity, the waiting market almost equalling among home-owners that already sold.

Following is a complete tabulation of the returns:

Kind of Insurance	Percent Now carry	Percent Will add
Fire, on house.....	96	2
Full value?.....	42	13
Fire, on furniture.....	93	10
Full value?.....	36	13
Windstorm.....	47	13
Hail.....	27	1
Explosion.....	14	12
Riot and civil commotion	3	12
Aircraft and motor vehicle damage.....	22	21
Rental value.....	5	15
Personal effects.....	16	17
Jewelry.....	16	6
Furs.....	17	6
Earthquake.....	2	7

Mr. Taylor expresses the belief that insurance can increase the sales appeal of its various contracts by attaching more descriptive names to several ill-named types, and redesigning many forms along more liberal lines so that the proffered protection will conform to the desires as well as the needs of the buyer. An official of a large refrigerator-manufacturing company said that the refrigerator they are now making is not their idea of the ideal refrigerator, but since they had changed from their ideal refrigerator to what their customers consider the ideal refrigerator, their sales had increased several fold.

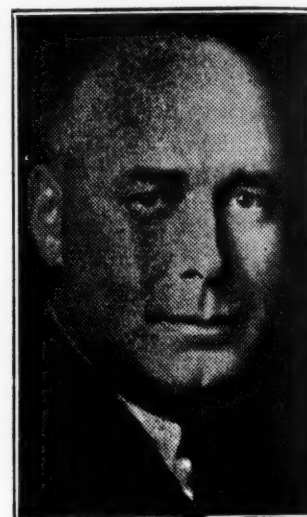
To shape sound protection in a way that will make it attractive to a much larger percentage of buyers spreads the benefits of insurance, and increases premium income.

Pacific National's Year

An increase of 11 percent in business for the first four months over the like period of 1935 was shown by Pacific National Fire. Net premiums written for the period totaled \$581,684 as against \$523,945 last year. D. J. Dunlevy has been elected assistant secretary. He has been with the Pacific National since 1930 when he came into the organization as chief examiner. His election as assistant secretary follows his recent appointment as head of the underwriting department.

Minnesotan Is Boosted for National Association Post

Minnesota friends of C. F. Liscomb, Duluth, have tossed his Panama in the ring for chairman of the executive committee of the National Association of Insurance Agents, which would put him in line for the presidency next year. The

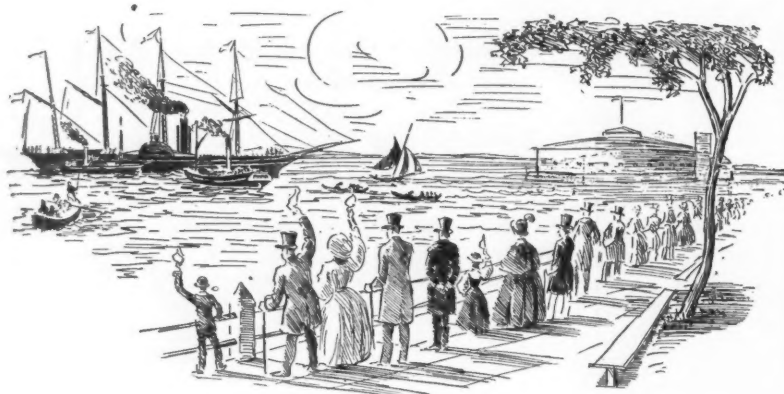


C. F. LISCOMB

June issue of "Minnesota Insurance News," official organ of the Minnesota state association, comes out with a glowing tribute to Mr. Liscomb's work as national councillor and follows it up with a statement by Frank Ney of the Fred L. Gray Co., Minneapolis, who says:

"The members of the Minnesota Association of Insurance Agents are thoroughly agreed that the National association should extend further recognition and appreciation to Charles F. Liscomb of Duluth, who has so ably and diligently represented Minnesota in the national organization and at the same time has served the agents of the entire country in a self-sacrificing and unselfish manner.

"Minnesota, if it had a choice in the matter, would vote 100 per cent for 'Charley' as the next chairman of the national executive committee."



The first steamboat—the "Great Western" sailed from Bristol to New York in 15 days in the year 1838 — 14 years after the Yorkshire Ins.Co. was established

Will Wrightem
Field Correspondent

THE YORKSHIRE
INSURANCE CO. LTD.

LONDON & PROVINCIAL
MARINE & GENERAL INS. CO. LTD.

SEABOARD
FIRE & MARINE AND THE

YORKSHIRE
INDEMNITY CO. OF N.Y.
90 JOHN STREET
NEW YORK CITY,

Underwriting Results Shown

(From National Board Statistics)

TABLE A

Underwriting Results, 1935
(Fire and Lightning Only.)

Premiums Earned	\$380,547,373	
Losses Incurred (35.48%)		\$135,004,936
Expenses Incurred (49.79%)		189,485,454
	(85.27%)	
Profit.....	(14.73%)	56,056,983
	100.00%	\$380,547,373 \$380,547,373

Taxes

Taxes	\$ 19,123,286
Proportion of 1934 Taxes to Net Premiums Written	4.18%
Proportion of 1935 Taxes to Net Premiums Written	5.01%
Increase	0.83%

TABLE B

Underwriting Results
(1931-1935, Incl.)
(Fire and Lightning Only.)

Premiums Earned	\$2,304,681,715	
Losses Incurred (45.29%)		\$1,043,818,585
Expenses Incurred (47.24%)		1,088,717,894
	(92.53%)	
Profit.....	(7.47%)	172,145,236
	100.00%	\$2,304,681,715 \$2,304,681,715

Taxes

Taxes	\$ 90,751,710
Proportion of Taxes to Net Premiums Written	4.26%

NEBRASKA 1935 FIGURES ARE GIVEN

The Nebraska department has given out the preliminary figures for last year. There are two stock fire companies in Nebraska, National American Fire and National Security, both of Omaha. Their total premiums were \$369,286 and losses \$129,807.

The total premiums of the outside stock companies were \$5,925,523 and losses \$2,733,797. The Nebraska state leaders, or those reporting over \$50,000 in premiums are as follows:

	Premiums	Losses
Nat. Amer., Neb.	\$197,734	\$ 87,460
Nat. Sec., Neb.	171,552	42,347
Aetna	185,412	92,803
American	60,822	21,753
Continental	72,536	30,439
Fidelity-Phoenix	129,747	55,821
Fireman's Fund	135,665	76,585
Firemen's	60,272	18,232
General Exchange	92,730	20,734
General, Wash.	185,306	85,533
Glens Falls	68,974	11,573
Great American	66,613	36,640
Harmonia	197,433	99,653
Hartford Fire	90,515	55,168
Home, N. Y.	475,689	280,741
Ins. Co. of N. A.	360,783	220,178
International, N. Y.	189,834	84,762
L. & L. G.	82,566	37,365
Mercantile	81,028	34,365
Mercantile of N. Y.	74,206	18,494
National, Conn.	66,257	27,427
National Union	362,174	157,370
N. Y. Underwriters	133,222	65,730
North B. & M.	50,422	78,990
Phoenix, Conn.	81,340	15,543
Queen	112,598	35,640
Royal	112,598	24,465
St. Paul F. & M.	87,724	40,808
Security, Conn.	263,866	130,980
Springfield F. & M.	55,676	19,823
Travelers Fire	183,650	83,528
U. S. Fire	96,080	36,913
Westchester Fire	61,008	25,601
	55,019	27,876

Mutual Figures Shown

The Nebraska mutual fire, tornado and hail companies reported \$514,720 in premiums and \$163,011 losses. The outside companies reported \$592,376 premiums and \$213,016 losses. The state leaders in this class are as follows:

	Premiums	Losses
Capital, Neb.	\$ 63,702	\$ 31,829
Dwelling House, Neb.	84,017	15,316
Neb. Hardware Mut.	76,423	17,863
Protective, Neb.	76,931	20,177
Union, Neb.	203,879	76,674
Grain Dealers, Ind.	115,535	41,850
Mill Owners Mut., Ia.	38,453	7,087
Millers Nat.	26,119	6,500
Minn. Impl. Mut.	30,105	12,924
N. W. Mut.	76,004	15,734
United Mut., Mass.	21,394	12,225
Western Mut., Ia.	39,792	5,743

Assessment Company Results

The assessment fire and tornado companies of Nebraska wrote in premiums \$1,144,315 and paid in losses \$536,488. There was one outside company in this class, the Home Mutual of Des Moines. It had \$119,805 premiums and \$47,782 losses. The Nebraska leaders are as follows:

	Premiums	Losses
Farmers Mut., Lincoln	\$646,768	\$289,135
Farm. Un. Coop., Omaha	74,353	35,964
German Mut., Scribner	16,596	14,536
Great Western, Lincoln	26,029	10,180
Nebraska Mut., Omaha	34,384	18,951
Nebraska Nat., Omaha	60,354	36,454
State Farmers, Omaha	63,940	24,553

Business of Reciprocals

The reciprocals wrote in new business last year \$71,341 and paid in losses \$27,620. There is one Nebraska reciprocal, the Midwest Lumbermen's of Fremont, which wrote in premiums \$26,151 and paid in losses \$8,964. The Retail Lumbermen's Inter-Insurance Exchange of Minneapolis led with \$19,808 in premiums and paid \$3,470 in losses. The next was the Lumbermen's Underwriting Alliance of Kansas City with \$16,736 premiums and \$10,747 losses.

Hail Insurance Business

The assessment hail companies of Nebraska wrote in premiums last year \$93,893 and paid in losses \$35,523. The leader was the Central States Hail of Lincoln with \$53,867 premiums and paid \$16,615 losses. The next was the Nebraska Hail of Omaha with \$18,023 premiums and \$5,882 losses.

The outside stock companies wrote in premiums \$602,525 and had in losses

\$529,872. The Nebraska leaders were as follows:

	Premiums	Losses
Aetna	\$ 46,139	\$ 37,486
Continental	21,045	15,716
Fidelity-Phoenix	32,595	29,372
Great American	70,259	49,803
Harmonia	50,670	28,033
Hartford Fire	67,523	72,606
Home, N. Y.	77,817	89,999
Ins. Co. of N. A.	46,436	37,514
St. Paul F. & M.	48,410	49,844
Springfield F. & M.	39,470	31,887

Insurance Provisions in Federal Revenue Measure

WASHINGTON, June 3.—Insurance corporation taxes ranging from 15½ to 18 percent and the Loneragan amendment providing for exemption from taxation of proceeds of policies made payable to the treasurer of the United States for the payment of inheritance, estate and other death taxes, featured the new revenue bill as reported to the senate by the senate finance committee.

In lieu of the flat rate of 15 percent to be applied against the net income of insurance corporations under the bill as passed by the house the finance committee would apply a sliding scale ranging from 15½ percent on the first \$2,000 of net income to 18 percent upon net income in excess of \$40,000.

The committee also wrote into the bill new provisions relating to foreign companies, although such companies are to take the same rates as the domestic corporations. Mutual companies, other than life, also will take the 15½ to 18 percent rates and will be taxable in the same manner as other corporations; they will not, however, be subjected to the 7 percent surtax to be applied against the undistributed net income of other corporations.

Foreign companies other than life are to be taxed on the net income from sources within the United States, not including interest on obligations of the United States and its instrumentalities or dividends received.

Attends Armour Tech. Reunion

Vice-president Lee R. Ross of the Phoenix of Hartford was in Chicago this week attending the alumni reunion

Will Preside at Meeting of the Minnesota Agents



CLARENCE O. BROWN

The Minnesota Association of Insurance Agents will meet at St. Paul next Monday, it being the week that the National Association of Insurance Commissioners is meeting. C. O. Brown of Rochester will preside.

and banquet of Armour Tech. He was one of the earlier graduates in the fire protection engineering course. This year recorded the 30th anniversary of the establishment of this course when

the late Dr. Frank Gunsaulus was president.

The Union Underwriters has moved to its new office at 1741 National Bank building, Detroit.



"The TWIN CITY gives me plenty of Help and Ideas"

Understanding help and productive ideas are desired by every

agent. The Twin City is the type of company that considers its

agents first, itself afterwards. A Twin City agent is a loyal agent

because he receives help and ideas that produce more business.

Promptness and dependability in writing practically all forms of

property insurance are yours when you represent the Twin City.

TWIN CITY FIRE
INSURANCE COMPANY

MINNEAPOLIS

MINNESOTA

John H. Griffin, Vice President and Manager

NEW YORK UNDERWRITERS
INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

90 John Street - - - - - New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

EDITORIAL COMMENT

Service of Qualified Agents

THIS is the time when state local agents associations are holding their meetings. The programs are varied. There is much valuable material coming out of them. Naturally counsel is given the local men. Some of it is platitudinous and yet here and there something comes out that is worth while.

Insurance Commissioner SMRHA of Nebraska, in speaking before the state association of his commonwealth, referred particularly to the part that the agents play in winning good will and confidence on part of the public. The agents are the creators of opinion, the educators. One of the pertinent observations that Mr. SMRHA made was the division of agents into two general types. On one side is the agent who merely procures the business and then forgets it and on the other, the one who gets the business and assumes the responsibility of keeping it and servicing it. He emphasized the growing need of greater responsibility felt by the agents for their clients not only in furnishing them sound indemnity but being able to block out an adequate and logical insurance program.

Another man not directly connected with insurance, Prof. R. H. BLANCHARD of COLUMBIA UNIVERSITY, spoke before the New York local agents. He attended the insurance division meeting of the AMERICAN MANAGEMENT ASSOCIATION and therefore was deeply impressed by the comment

of insurance buyers. He put in rather succinct form just what the purchasers of insurance who are intelligent require, they being "security, coverage and economy." He ranks these factors in importance in that order. There are not so many insurance buyers who are well informed as to insurance. Some large concerns have an insurance man who gives all his time to that feature but most of them rely on their insurance agents. The point that Professor BLANCHARD made was that insurance buyers are perfectly willing to compensate competent agents but they are not willing to accept insurance uncritically nor do they like the idea of paying for services which they fail to receive.

We hear much these days about meeting competition of nonagency companies. These companies are able to make inroads because the assured does not recognize the expert service that can be given by agents. In many of these instances undoubtedly the policyholders dealing with agents have not found the service worth the acquisition cost.

It behooves agents, therefore, to fortify themselves through study, experience and observation to fit themselves so that they can always justify their commission. The greatest harm to the business has been done by those who are incompetent and utterly unprepared to meet the demands.

Governmental Regulation Invited

OFTEN we invite greater governmental regulation and regimentation of business. The individual is inclined to be indifferent and complacent. Occupational groups may feel that they have some grievance and they go to the legislature for remedy. They want the state insurance commissioner to make a ruling. They are not content to work out their problems on an individual or group basis. Naturally when an appeal is made to governmental authorities it means an extension of power. Undoubtedly the business itself has been one of the most potent forces in having governmental regulation increased. The easiest way out seems to be to throw all trou-

ble in the lap of the government and the individuals accept no responsibility.

In insurance most of the problems can be worked out by the industry itself if its members would apply themselves. There is no real excuse to rely on the government to take care of the issues that arise in our business. If the individuals themselves felt a sense of responsibility and did their part, if they became active in the effort to meet these demands and correct bad practices, the government would not be called on to bring out its troops. The responsibility of the individuals should receive far greater impetus these days if greater personal freedom is desired.

Newspaper Reports of Losses

FIRE insurance people customarily discount very greatly the estimates of loss that are printed in daily newspapers as a result of fires. The newspaper reporter always seems willing to accept a very large figure which in the final judgment proves to be four or five

times too high. Of course, the newspaper reporters are not experts in estimating values and they accept the estimates of the fire department or of the property owner, both of whom may have reason to make the loss appear as large as possible. Then the ruins

usually appear more devastating than they turn out to be when the salvage company gets to work.

Although the newspapers over estimate fire losses, more often than not they greatly under estimate the damage done by hail and windstorm. For one thing, following a storm, there is no one single authority, who is qualified to give an opinion as to the loss and frequently, if rain has accompanied the wind and hail, the full loss is not apparent on the surface. One of the most severe causes of damage is the water

that enters through openings made by the wind or hail and soaks the walls, interior furnishings and stocks of goods. Then frequently the loss is aggravated, as roofing contractors make house to house canvass and cause property owners to make claim for loss.

If loss reserves were put up on the basis of newspaper estimates, the companies would go broke because of the high reserve requirements when fire loss occurred and they would also succumb because they would be far under reserved in wind and hailstorms.

PERSONAL SIDE OF BUSINESS

James Cairns, Los Angeles special agent of the Hartford group, has been presented a new badge, designating him as a battalion chief of the fire department, by the Los Angeles board of fire commissioners in recognition of his leadership in fire prevention activities. Mr. Cairns was active in the same field in San Francisco as a member of the fire prevention committee of the junior chamber of commerce before being transferred to Los Angeles.

J. S. Suydam, state agent Home of New York, Los Angeles, who retired June 1 after having been in its service since 1909, was the guest of honor at a luncheon meeting of a group of 25 of his old friends. He was presented a fitted traveling case. He was also honored at a luncheon meeting by members of his office staff and all southern California agents of the office, with R. J. McGuire, successor to Mr. Suydam in the Los Angeles office, presiding. C. I. Magill, San Francisco manager of the Home, attended.

J. B. Sirich, Jr., son of Assistant Manager Sirich of the Interstate Underwriters Board, has been appointed to the faculty of the University of Virginia, and will assume the post this fall. Following graduation from the University of Virginia Mr. Sirich secured M. A. and Ph. D. degrees from Harvard. In preparing his thesis he spent three months in France doing research work.

Allan I. Wolff of Chicago, former president of the National Association of Insurance Agents, has been invited to address the annual meetings of the Washington, Oregon and Idaho organizations. The Washington Insurance Agents League will hold its meeting at Seattle, Aug. 13-15.

Frank T. Priest of Wichita, member of the executive committee of the National Association of Insurance Agents, en route to Louisville to attend the annual meeting of the Kentucky Association of Insurance Agents this week, went first to St. Paul to visit officials of the St. Paul F. & M., then passed a day or two in Chicago visiting friends.

Fred G. Appel of the Gregory & Appel agency of Indianapolis, entertained a party of about 14, including several insurance men, at his summer home in Leland, Mich., over the Memorial Day week end. The guests were invited to be on hand to help christen his new cruiser. Insurance men in the party were E. W. Elwell of New York, as-

sistant U. S. manager of the Royal Exchange, Rush B. McClure of Chicago, general agent for that company, who was accompanied by Mrs. McClure, and John Twitty of the Gregory & Appel agency, who was accompanied by Mrs. Twitty.

C. W. Ohlsen of Chicago, western manager of the Sun, is in Louisville this week attending the meeting of the Kentucky Association of Insurance Agents. From there he will go to Nashville.

L. F. Daniel of Minneapolis, Minnesota state agent of the Scottish Union & National, has left Northwestern Hospital where he underwent an operation and is now convalescing at his home. This was the second major operation to which Mr. Daniel had been subjected within a comparatively short time.

Mrs. Grace Blossom Higbee, wife of **W. E. Higbee**, vice-president of Fred S. James & Co. of Chicago, died at a Miami Beach, Fla. hospital after a lingering illness. The Higbees spend six months of the year at their home at Coconut Grove. Mrs. Higbee had been in bad shape for a long time.

Funeral services were conducted by the Rev. J. D. Kuykendall of the Plymouth Congregational Church at her residence in Coconut Grove.

In addition to Mr. Higbee, a daughter, Jane E. Higbee, survives. Mr. Higbee was formerly president of the Chicago Board.

J. P. Henry, of the Daniel & Henry Company agency, St. Louis, has been nominated for the St. Louis award for 1935-36 and the \$1,000 cash prize, because of his activity as head of the civic committee for the Field Memorial and efforts in preserving the birthplace and boyhood home of Eugene Field.

Funeral services were held for **A. M. Russel**, 93, former St. Louis local agent who died at the Hermitage Hotel in that city. He had resided there for 63 years. He conducted an insurance agency for a number of years and at one time was connected with the registry department of the post office.

Arthur M. O'Connell, general manager of the Eureka-Security Agency of Cincinnati, will be married to Miss Margaretta Hickey next Saturday at St. Theresa Church, Cincinnati. Miss Hickey, who was formerly employed in the Cincinnati claim department of the Travelers, is a niece of J. F. Hickey, well known St. Louis general agent of

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the General Accident. Up to a year ago Mr. O'Connell was Cincinnati claim manager for the General Accident and previously was a staff adjuster for the Travelers. After a short honeymoon, Mr. and Mrs. O'Connell will make their home in the Hyde Park district of Cincinnati.

J. Will Howell, agent at West Frankfort, Ill., has been elected governor in his district of the International Association of Lions Clubs. The district comprises the lower part of Illinois. Mr. Howell is president of the West Frankfort Local Board and has been in the business for the last 15 years.

E. E. Tiffany of Billings, Mont., president Montana Association of Insurance Agents, underwent a serious operation at Rochester, Minn., for gall bladder trouble and appendicitis. As soon as possible he is to be moved to his father's home at LaCrosse, Wis., for further recuperation.

The **Ohio Farmers** at the head office in Le Roy entertained about 100 women employees of agencies from Ohio and Indiana and from the E. K. Schultz & Co. general agency of Philadelphia. This is an annual event. The guests arrived in the afternoon, renewed acquaintances and made an inspection trip through the home office departments. There was a dinner followed by a play given by the LeRoy Players Club. Then there was music, refreshments and dancing.

The next morning the business session was held with talks made by President F. H. Hawley, Vice-president C. D. McVay, Treasurer Price Russell and by managers of several departments.

Ferdinand W. Roebing, Jr. of the famous Roebing family of Trenton, N. J., who had served for the past few months as president of the Standard Fire of Trenton, died at the Columbia University-Presbyterian hospital medical center in New York after a month's illness. He was 57 years of age. His principal interest was the Roebing Cable Manufacturing Company of which he was president. He had served as vice-president of the Standard Fire for several years and was elected president following the death of Owen J. Prior last December.

C. W. Cummings, chief clerk of the Mountain States Inspection Bureau, is progressing satisfactorily in the hospital after an appendectomy. For a short time his condition was regarded as serious. Edward Kern, Mountain States inspector, is also in the hospital after an appendicitis operation.

George W. Jalonick, pioneer Dallas insurance executive, who was born near Belton, Tex., in 1853, recalls the sen-

sation which was created when his father introduced the first window panes in the county.

"We lived in a log house, which at first had wooden shutters," said Mr. Jalonick. "My father bought a two-sash window, hauled it from Houston and placed it in our house. One day two cowboys rode by and were greatly interested in the new device. One asked my mother if she would let him look at it. She agreed, of course, whereupon he asked permission to go inside to make certain it was transparent. Then

from the inside he looked through to his partner on the outside and in a loud voice yelled, 'Can you see me, Bill?' It was a seven-day wonder to both, as to many others of our neighbors."

Mr. Jalonick moved to Abilene in 1881 and seven years later to Dallas, where he entered the insurance field, joining the staff of Trezevant & Cochran. A number of years ago, with his brother, the late Isaac Jalonick, he organized the Republic of Dallas. He retired from active executive duties several years ago.

NEWS OF FIELD MEN

Tennessee Field Gatherings

Much Activity Will Be Found on Signal Mountain When Three Organizations Hold Forth

R. E. Bolling, Jr., Fireman's Fund, president Tennessee Fire Underwriters Association, and his associates are preparing for the annual meeting at Signal Mountain, June 17. W. E. Minner, Jr., Aetna Fire, is vice-president and Leon McGilton, American, secretary. The meeting will be addressed by H. H. Corson of Nashville, president Tennessee Association of Insurance Agents; J. H. Hines, Hines Brothers, Atlanta, Ga., managers Crum & Forster, and Harry F. Grider of Chicago, associate manager Western Factory.

The annual meeting of the Tennessee Fire Prevention Association will be held at the same place, June 18. H. R. Trickey of the St. Paul F. & M. is president and Paul Breen of New Hampshire, vice-president. Leon McGilton of the American is secretary. R. E. Vernor, manager fire prevention department, Western Actuarial Bureau at Chicago, will address the meeting.

The Tennessee Blue Goose will hold its annual meeting June 18. John F. Lee, manager Tennessee Audit Bureau, is most loyal gander. The Blue Goose dinner dance will be held in the evening. The ladies' auxiliary of the Tennessee Blue Goose will conduct a bridge tournament both days of the meeting. Mrs. Leon McGilton is president.

Each afternoon will be given to a golf tournament and other sports. Ira P. Jones, III, is chairman of the golf tournament, Paul Eldridge, Jr., Niagara Fire, shuffle board contest, and F. C. Ray, Aetna Fire, horse-shoe pitching.

Louisiana Pond Elects

Officers elected to head the Louisiana Blue Goose at the annual session in Biloxi, Miss., are: Most loyal gander, C. E. Farrell; supervisor, R. A. Wright; custodian, C. C. Dupree; welder, Mau-

rice Hartson, Jr.; keeper, J. E. Simoneaux; guardian, R. M. Wylie. R. F. Perreil, New Orleans, retiring most loyal gander, G. E. Miazza and J. A. Simoneaux were named to represent Louisiana at the grand nest meeting at Oklahoma City in October.

Fire Association Veteran on Coast to Retire

Ernest M. Hutchings, Seattle, special agent Fire Association group, who has been with that group more than 25 years, will retire Aug. 1. Frank M. Avery, vice-president and Pacific Coast manager, announced that in recognition of the outstanding service rendered by Mr. Hutchings, a retirement salary has been arranged. He first joined the Fire Association in 1911, previously operating a local agency in Chicago. He was transferred to Helena in 1917, covering Montana, Utah and Idaho, and later went to the Pacific Coast as special agent in charge of Washington and northern Idaho.

G. C. Hedreen, engineer of the Washington Surveying & Rating Bureau, has been appointed to succeed him in Seattle, effective at once.

Mountain Group Honors Hart

DENVER, June 3.—Past presidents of the Mountain Field Club and A. B. Hart, special agent here who is being transferred by the National to Oregon, were honored at a luncheon. About 48 were present.

Mr. Hart was presented with a gold wrist watch by A. J. Lehwaldt. Past Presidents L. H. Simon and R. B. Wallace spoke on behalf of the officers honored. This was the last regular meeting of the club until September, President H. A. Amonette announces.

Wisconsin Women Install Officers

Officers were installed by the women's auxiliary of the Wisconsin Blue Goose at the last meeting of the season. They

are: President, Mrs. C. E. Hayne; vice-president, Mrs. George Hannan; secretary, Mrs. Frank Daniel; treasurer, Mrs. W. R. Hunter; directors, Mmes. Cornell Anderson and Raymond Gravenstine. Hostesses were Mmes. J. L. Swartout and W. R. Hunter.

Murphy with American Home

D. E. Murphy, formerly assistant secretary of the Western & Southern Fire, has been appointed special agent of the American Home Fire, for Indiana and Illinois, with headquarters in Chicago.

Cubilewich General Agent

The Buffalo has appointed Samuel Cubilewich general agent in Boston, with headquarters at 119 Water street. He is a native of that city and was with the Hinckley & Woods agency for 16 years before starting his own agency. He is general agent Sussex Fire, Girard F. & M., Superior and Massachusetts Bonding.

Chippewa Falls Inspected

The Wisconsin Fire Prevention Association inspected Chippewa Falls, with local agents, the fire department and several civic organizations cooperating. At a dinner meeting Mayor Zesiger, Roy L. Nicholson, Milwaukee, state agent Michigan Fire & Marine, and "Smoky" Rogers were the principal speakers.

D. C. Pugh Recovering

D. C. Pugh, southwestern Ohio state agent of the North America, recently underwent an appendectomy. He is making a good recovery and will be back at his desk soon.

T. S. Moss, Hartford, Succumbs

T. S. Moss, agency superintendent in the western department of the Hartford Fire, died at his home in Evanston, Ill., Tuesday morning. He had been in the hospital and then confined to his home for several months, suffering from leukemia. His condition for some time had been regarded as hopeless. He had been connected with the Hartford 14 years, in the engineering department, as special agent in Wisconsin, and then as agency superintendent. He was at one time with the Kentucky Actuarial Bureau. He was 47 years of age.

A. M. Jens Returns to Desk

A. M. Jens, class 1 agent of Chicago, who has his office with Fred S. James & Co., is now able to be at his desk an hour or so a day. Nearly three months ago he was seriously injured in an automobile accident in Kentucky and Mrs. Jens was killed. He was in a hospital about nine weeks and then recovered further at his home. In the ordeal, he lost about 40 pounds.

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\$10,535,750 ASSETS

LOSSES PAID SINCE ORGANIZATION \$63,969,722

The HANOVER FIRE INSURANCE COMPANY of New York *Montgomery Clark, Pres.*

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Ask Return of Commissions

Resolution Calling for Former Scale on Compensation Adopted in Wisconsin Agents' Meet

BEAVER DAM, WIS., June 3.—A resolution calling upon companies to restore the former commission on workmen's compensation business in Wisconsin was adopted at a conference here of local agents representing various county units in the eastern part of the state. The conference was called by Hugh Bird of this city, president Wisconsin Association of Insurance Agents, to discuss problems and routine operations of county associations, and local board placement of public business. More than 20 such units have been organized in Wisconsin the past year through efforts of the state association cooperating with field men of stock companies in the Wisconsin Fire Underwriters Association.

Field Men Speak

W. R. Stoddard, Beaver Dam, president Dodge County association, welcomed local and state agents. Mr. Bird was chairman. Speakers included A. G. Meredith, Oshkosh, state agent Fire Association and president Wisconsin Fire Underwriters Association, on "Organization"; Harvey Girard, Milwaukee, state agent Providence Washington and chairman state public relations committee, "County Organization in Wisconsin"; R. A. Kenzel, Milwaukee state agent Northern of London, "Origin of Company Organizations," and G. F. Risley, special agent Great American, "The State Fund."

W. B. Calhoun Speaks

W. B. Calhoun, Milwaukee, past president National Association of Insurance Agents, Wisconsin association and Milwaukee Board, and J. G. Grundle, executive secretary Milwaukee Board and secretary-treasurer Wisconsin association, spoke on organization work and activities of various local agents' units. Mr. Grundle advised the agents of a movement to have the University of Wisconsin add a course of instruction to the extension division curriculum relating to property insurance.

To Enforce Michigan Law Relating to Hotel Safety

LANSING, MICH., June 3.—Rigid enforcement of the Brown hotel fire safety law of 1935 is planned within a few weeks at approximately the time of the first anniversary since the act's effective date. The year has been spent by the fire marshal's division of the insurance department in advising property owners of the provisions, receiving registrations of affected properties, making inspections and issuing orders for corrections.

According to Charles V. Lane, assistant state fire marshal, there is no longer any excuse for non-compliance and all places that have not met requirements in a short time will be subject to condemnation orders.

The expense of conforming with the act is resulting in closing of many hotels throughout the state. Some of these places, in worse condition from the standpoint of fire hazards than the Hotel Kerns, which burned here in 1934, resulting in loss of 31 lives and immediate passage of the safety act, have been operating at little or no profit and cannot afford to install the required sprinkler or alarm systems or make other changes.

Give Exposition Requirements

Coverage and Limits Demanded of Exhibitors, Concessionaires at Cleveland Fair Listed

CLEVELAND, June 3.—The insurance committee of the Great Lakes Exposition has issued insurance information and requirements for all exhibitors and concessionaires. Permit will not be issued until they have satisfied the requirements. Aside from regular insurance issued by independent companies, all are required to comply with the workmen's compensation law.

Exhibitors must carry public liability insurance with minimum limits \$10,000 for one person and \$20,000 for one accident, without limitation as to number of persons or accidents; and property damage insurance for not less than \$1,000 limit on account of each accident.

Require Products Cover

Exhibitors dispensing food, beverages or other products for personal consumption, must carry products liability insurance with \$10,000-\$20,000 limits at least for any one accident or occurrence. This coverage may be added to the public liability and property damage policy.

Exhibitors using motor vehicles of any type must carry public liability with minimum limits \$10,000/\$20,000 for one accident, without limitation as to number of persons or accidents; and property damage cover for at least \$5,000 per accident.

Other Requirements Given

All liability insurance required above must be written fully to protect the exhibitor as named assured and the Great Lakes Exposition as beneficiary assured, jointly and severally as their interests may appear.

Exhibitors and concessionaires are required to maintain at their own cost, adequate fire and windstorm insurance on their property with named assured and beneficiary assured as required above.

All policies or certificates must be filed with the insurance department at least five days before possession of space is taken. All insurance must be placed with companies licensed in Ohio, and it is urged that stock companies of high reputation be selected.

Farm Mutual Figures Given

Illinois Department Shows Figures for the Cooperatives in Their Home State for 1935

The Illinois department has issued its report on the farm mutuals of the state, the district mutuals showing \$206,859 income and \$144,218 disbursements. The premiums were \$188,456 and the losses \$91,381. The leader was the Svea Mutual Protective of Andover with premiums of \$77,805 and losses \$33,854.

The county mutuals had income of \$727,904 and disbursements \$631,935 with premiums \$650,522 and losses \$396,282. The leaders in this group were the Belleville St. Clair County Farmers Mutual of Belleville with premiums of \$62,350 and losses \$16,460, the Belvidere Farmers Mutual County of Belvidere with \$18,565 premiums and \$9,576 losses, the Jonesboro Union County Farmers Mutual of Jonesville with \$17,208 premium and \$12,662 losses, the Kane County Farmers Mu-

tual of Geneva with \$18,302 premiums and \$8,368 losses, the Lincoln Logan County Farmers Mutual of Lewistown with \$18,214 premiums and \$14,256 losses, the Macoupin County Mutual of Carlinville with \$30,078 premiums and \$7,523 losses, the Mason County Farmers Mutual of Forest City with \$18,639 premiums and \$13,401 losses.

The township mutuals had income of \$562,528 and disbursements \$504,217. Their premiums were \$496,057 and losses \$333,667. The leaders were the Dunham & Chemung Township Mutual of Harvard with \$17,633 premiums and \$15,767 losses, the Farmers Pioneer Mutual of Buckley with premiums \$26,194 and losses \$4,607. The Wheatland-Oswego Township Mutual of Oswego had \$16,400 premiums and \$11,299 losses.

The district mutual windstorm companies had annual income of \$257,571 and disbursements \$148,361. Their premiums were \$238,362 and losses \$74,383. The leaders were the Rockford Farmers District Mutual with \$123,416 in premiums and \$19,185 losses, the Panahillsboro District Cyclone of Hillsboro had \$48,014 premiums and \$32,671 losses.

The total premiums of all the farm mutuals was \$1,573,665 and losses \$896,046.

Records of Iowa for 1935

Premium Leaders in the State Are Shown, Those Receiving \$100,000 or More

Premiums of stock fire companies and mutuals in Iowa last year, not including the county farm institutions, amounted to \$12,065,572, compared with \$11,611,150 in 1934. The losses were \$3,495,354 as compared with \$4,808,779. The premiums of Iowa companies including the mutuals were \$2,029,403 and the losses \$526,134. The total premiums of outside companies, stock and mutuals, were \$10,036,169 and the losses \$2,969,220. The premium leaders or those writing over \$100,000 the last year in the state were as follows:

	Premiums	Losses
Dubuque F. & M.	\$140,892	\$ 45,099
Inter-Ocean Reins.	206,655	67,405
Iowa Mut., Des Moines ..	444,354	125,737
Mill Owners Mut., Ia.	241,007	52,412
Security, Ia.	176,923	36,508
Town Mut., Des Moines ..	433,024	83,907
Western Mut., Ia.	180,737	24,089
Aetna Fire	194,466	48,274
American, N. J.	167,754	51,135
Automobile	227,246	59,959
Continental	296,360	93,168
Fidelity-Phenix	150,565	33,434
Fireman's Fund	296,920	76,074
Firemen's, N. J.	295,331	39,003
General Exchange	262,279	95,202
General Wash.	150,293	35,605
Great American	229,085	83,426
Hardware Deal. Mut.	102,925	17,007
Hartford Fire	693,832	272,863
Home, N. Y.	559,334	193,971
Ins. Co. of N. A.	145,918	53,359
Minn. Impl. Mut.	129,676	18,937
National, Conn.	309,946	93,690
National Union	122,050	51,614
Northwestern F. & M.	208,532	66,600
Northwestern Natl.	157,338	29,468
Phoenix, Conn.	207,649	63,544
St. Paul F. & M.	226,137	83,340
Springfield F. & M.	168,891	35,767
Travelers Fire	146,345	39,456
U. S. Fire	225,563	44,141

Committee to Make Report on 16 2/3 Percent Rate Cases

ST. LOUIS, June 3.—Local agents here in the next several days will receive a report from a special committee that visited Chicago recently to discuss with company representatives the basis for the payment of contingent commissions on fire premiums imposed between June 1, 1930, and Nov. 11, 1935, in connection with the 16 2/3 percent rate cases.

The chief point of difference is as to when the rate case issue was "deter-

Tornado Drops Building Into Barn Fire on Farm

PIERRE, S. D., June 3.—A storm adding additional hazard to a fire policy was found by an adjuster who went to the farm of Harry Deitz in Lincoln county, S. D., to adjust a barn fire loss caused by lightning. There was only the usual water supply from well and a bucket brigade to handle. While the barn was burning a small tornado picked up the hog house some distance away and dropped it into the center of the blaze, causing a fire loss on that building as well, even though the two buildings were well separated when the barn fire started.

mined or otherwise settled" within the meaning of the contingent commission agreements with the various companies.

Local agents took the position that 1935 premiums should be subject to the 50 percent reserve, 7 1/2 percent home office expense and full commissions in the determination of contingent allowances, while premiums collected in the period 1930-34 would be treated as completely earned and subject only to the 7 1/2 percent home office expense and full commissions. The companies' view was decided by the governing committee of the Western Underwriters Association in Chicago May 21. They want 1936 to be the basic year of settlement and not 1935, which was a very favorable one from a loss experience standpoint.

Many Changes Taking Place in Local Agencies in Ohio

A large number of changes have been made in local agencies in Ohio in the last month or so. Among them are:

Athens—E. R. Walker purchased interest of W. B. Lawrence in Lawrence & Walker.

Bluffton—Cathryn Warren agency sold to L. J. Balmer.

Bowling Green—W. H. Bachman has taken his son R. W. Bachman into the agency, hereafter to be known as Bachman Insurance Agency.

Beach City—Following death of Fred H. Park, his widow Mrs. Florence K. Park took over the business.

Bergholz—James McBane has taken his son, R. W. McBane, into partnership as the McBane Insurance Agency.

Crooksville—The business of Ina M. Underwood has been sold to R. V. Oakley and Percy Oakley, who will operate as the Cooksville Insurance Agency.

Gallion—Due to death of H. G. Bachelder, Bachelder & Blehl agency has been transferred to Florence C. Holmes and F. W. Blehl.

Greenwich—L. N. Robinson has sold his agency to K. B. Knapp.

Hamilton—D. E. Potter Agency sold to R. M. Clark, who is associated with Marc E. Welliver.

Kingsville—Charles M. Peck has taken into the agency his son, Carl M. Peck. Lancaster—Due to death of J. A. Pfadt his widow will continue the business.

Minerva—Glenwood & King agency transferred to Miller Agency of Strasburg.

North Baltimore—Owing to death of G. B. Fulton, agency sold by executor to I. O. Heminger.

New Paris—H. B. Miller has sold his agency to E. C. Mikesell.

Pemberville—F. P. Spitzer, formerly in partnership with Mr. Tittgemeyer as the Pemberton Insurance Agency, now operating own agency.

Painesville—Reserve Realty Co. Agency transferred to T. M. Durey.

Sandusky—Alex Wagner Agency transferred to B. G. Zeller of the Sandusky Agency Co. Owing to death of John Traub, agency sold to Ralph Traub.

Steubenville—R. S. Nicholson Agency sold to M. E. McGowan.

Alabama—R. H. Thackery Agency sold to Frantz and Earsom.

Van Wert—Due to death of J. A. Stiggers, his widow, Mrs. Verta L. Stiggers,

is continuing the business under name of Stiggers Insurance Agency.
 Wapakoneta—A. A. Diedrich business sold to Musser Insurance Agency.
 Xenia—A. W. Tresise Agency sold to Anderson Insurance Agency due to death of Mr. Tresise.
 Middletown—M. P. Schrock has sold his agency to C. V. Timmons.
 Mt. Gilead—Floyd Rinehart is no longer connected with the Baird Insurance Agency having sold his interest to Easton Baird.

Protest School Insurance Setup

Protest has been filed by the Toledo Association of Insurance Agents with the board of education of that place protesting the action of placing a considerable part of the school insurance through one agent. For the past two years the practice has prevailed of placing the entire line through the agents' association. Under that plan, the agents' organization contends, the budget plan was introduced, political patronage has been eliminated, commissions have been divided among 60 agents, semi-annual inspections have been provided and fire protection education has been carried on.

Long Service Medals Awarded

T. R. Dungan, Indiana state agent of the Fidelity-Phenix, has awarded long-service medals to these Indiana agents whose service extends over 25 years: Fred Gross, Manilla; Charles Hoover, Bicknell; P. O. Apple, Oaklandon; F. A. Stantz, Switz City; John Masten, Coatesville; George Dickey, Shelbyville; Ralph Lucas, Freetown; Charles Miller, Bloomington; John Armstrong, Leesburg; H. S. McKee, New Point.

Mr. Dungan says 165 agents in Indiana have earned this Old Guard decoration for service ranging from 25 to 50 years.

Ketcham Marquette Speaker

Commissioner Ketcham of Michigan is to be the principal speaker at the banquet at the meeting of the agents of the upper peninsula of Michigan in Marquette, June 13.

Plan Golf Tournament

The Mutual Insurance Association of Cleveland has scheduled three golf meets for the summer, the first June 5 at Lakewood Country Club, the second in July and a third in August, with play-off in September. W. E. Parker is chairman.

Columbus District Meeting

COLUMBUS, June 3.—A meeting of the Columbus district of the Ohio Association of Insurance Agents is to be held at Granville on July 9. S. D. Reichelderfer, Chillicothe, and Harold M. Gardiner, Columbus, will be in charge. The district embraces Franklin, Union, Delaware, Licking, Fairfield, Perry, Pickaway, Madison, Ross, Morrow and Hocking counties. There will be golf in the afternoon and a dinner in the evening at the Granville Inn.

Third Conviction for Murder

ST. LOUIS, June 3.—A jury in the circuit court for criminal causes has again decided that Ralph Pierson was guilty of murder in connection with the fire in the Buckingham Annex Hotel here on Dec. 5, 1927, which resulted in the death of seven persons and serious injury to a number of others. The state has contended the fire was the result of a plot to collect fire insurance. It was his third conviction, the Missouri supreme court twice having granted new trials.

Important Minnesota Rule

ST. PAUL, MINN., June 3.—Fire companies are not legally bound to solicit renewals when a policy expires, the Minnesota supreme court held, denying compensation to a farmer whose property burned three months after his policy in a farmers' mutual company expired. The loss was \$3,400 and the farmer sued the mutual on the ground its agent should have notified

him of expiration and solicited a renewal.

Muskegon Situation Grave

MUSKEGON, MICH., June 3.—The fire protection situation outside the city, which has been stirring controversy for several years, was brought to a head when a loss of probably \$20,000 was sustained by the Anderson Packing Company whose plant is located in Muskegon township. Most of the loss, it is admitted, resulted from delay in obtaining consent of Muskegon and Muskegon Heights authorities to use their fire department facilities in combating the blaze. Fire losses have been heavy so far this year, both inside and outside corporate limits and officials are puzzled as to how the condition is to be improved. They see as the only solution acceptance by outside property owners of a special tax equivalent to that charged for fire protection inside the city.

Ohio Membership Campaign

A membership campaign was launched this week by the Ohio Association of Insurance Agents in eight Ohio counties. The counties and the chairmen in charge are as follows: Licking, A. W. Kette, Marion; Muskingum, Austin McElroy, Columbus; Hamilton, Harold Jones, Middletown; Montgomery, John J. Fisher, Lorain; S. H. Lance, Medina; Richland, Joseph Neff, Bucyrus; Wayne, C. A. Rickard, Alliance, and Ottawa, Paul Kridler, Fremont.

Badger Mutual Figures

The Badger Mutual Fire of Milwaukee as of April 1 shows assets \$1,019,027, premium reserve \$233,524, contingency reserve \$30,000, non-assessable guarantee fund \$125,000, net surplus \$591,538. There was an increase of \$8,345 in assets the first quarter, \$12,530 in surplus and \$3,000 in voluntary reserve. The company is operating in Wisconsin, Illinois, Minnesota, Michigan and Pennsylvania.

Metropolitan Office Extended

For several years the counties contiguous to Cook have been reporting to the Chicago metropolitan department of the North British & Mercantile group, and as the arrangement has proved satisfactory to agents of the associated companies, it has been decided to extend the operating territory of the Chicago office to embrace the other Illinois counties. The new arrangement will enable the Chicago office under the supervision of Manager W. F. Sweazea to maintain an even closer association with an expanding agency force. Secretary G. H. Duxbury, in charge of the western department of the group companies with headquarters in New York City, will continue to make periodic visits to the Illinois field.

Heretofore the Chicago office has had jurisdiction over six counties other than Cook. Now it will have charge of all the state.

Special Risk Outing

The members of the Western Conference of Special Risk Underwriters are to enjoy a golf party and dinner at the Westward Ho Golf Club near Chicago Thursday of this week. The committee in charge consists of E. S. Miller, manager Illinois Audit Bureau, H. W. Donnan, Hartford, and E. V. McKarahan.

Report Made on Muncie

The National Board reports on Muncie, Ind., which had a gross fire loss for the last five years of \$275,474, the average loss per fire being \$157 and the loss per capita \$1.15.

The engineers say that the water supply works are mainly adequate but have some unreliable features. The distribution system is incomplete. There are fair to good quantities of water available. The department is weak and undermanned and under-equipped and subject to frequent change in leader-

ROSSIA INSURANCE COMPANY OF AMERICA

Year Ending December 31, 1935

ASSETS

Cash	\$ 797,823.35
Bonds	2,268,043.43
Stocks	2,664,125.35
Mortgages	98,166.08
Reserves held by Ceding Companies....	378,923.23
Balances due from Companies.....	654,617.74
Accrued Interest	29,387.81
Real Estate	428,217.00
	<u>\$7,319,303.99</u>

LIABILITIES

Premium Reserve	\$2,825,230.67
Reserve for losses and loss adjustment expenses	715,242.00
All other liabilities.....	147,500.00
Capital	\$1,500,000.00
Net Surplus	2,131,331.32
Surplus to Treatyholders.....	3,631,331.32
	<u>\$7,319,303.99</u>

NOTE

On the basis of December 31, 1935, actual market quotations for all bonds and stocks owned, this company's total admitted Assets would be increased to \$7,423,553.04 and the Surplus to Treatyholders to \$3,735,580.37. Securities carried at \$311,750 in the above statement are deposited as required by law.

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ship. The fire alarm system is inadequate and unreliable.

In the principal mercantile district, the engineers say that fire-resistively weak construction makes group fires that might involve a considerable portion of the district probable. In minor mercantile and manufacturing districts the hazard is local.

Cleveland Board in Outing

The Cleveland Board will hold its annual picnic and outing at the Lake Forest Country Club, Hudson, O., June 17. There will be an all-day program of sports, dinner and dance. W. H. Levering is chairman of arrangements.

Millman Now State Agent

Elton Millman of Cleveland, who has been traveling Ohio and Michigan for the marine department of the Providence Washington, with title of special agent, has been promoted to state agent in the same territory. He has been connected with the Providence Washington for about four years and has been in the marine business about 20 years, formerly having been connected with the Rhode Island and the National Liberty.

Middle West Notes

A. C. Roberts of Olney, Ill., has set June 25 for the annual field day to be given by his agency.

James McConnell, 72, Marion, Ind., former mayor and for years a local agent, died there.

J. S. Matthews, who operated the West Union Ohio Agency, West Union, O., died, aged 70. His widow will operate the agency.

C. J. Lampertz, who has been connected with various St. Louis insurance enterprises for the past 25 years, has taken charge of the insurance department of the Feinberg Real Estate Company.

committee, will hold a preliminary meeting the evening before the convention opens.

Arkansas Fire Loss Ratio Last Year Set Low Mark

LITTLE ROCK, ARK., June 3.—An all-time low fire loss ratio in Arkansas in 1935, and property loss was less than in any year since 1918, according to the annual report of Commissioner Gentry. Stock fire companies collected \$6,223,522 premiums and paid in net losses \$2,166,743, with 34.82 percent loss ratio. Mr. Gentry said if 1936 experience is as good there will be hope for rate reduction.

Several factors contributed, he said, including better fire prevention work, better fire department efficiency, but most of all, better underwriting by agents. He urged continued caution in assumption of risks and valuation of properties for insurance, to the end that over-insurance may be eliminated.

Investigations participated in by the department last year resulted in indictment and conviction of several persons for arson, and other indictments and convictions were obtained by local peace officers.

Leading Atlanta Agencies' 1935 Fire Premiums Given

Atlanta, Ga., fire premiums for 1935 and 1934 compiled from tax returns to the city tax collector show returns of leading agents:

	1934	1935
Haas-Howell & Dodd	131,317	112,222
Dunlap & Co.	109,167	86,020
Dickey-Mangham Co.	85,855	82,315
Whitner & Co.	86,566	76,647
Oberdorfer Ins. Agency	84,219	76,345
Lipscomb-Weyman		
Chapman	84,760	70,123
Rauchenburg, Inc.	68,561	66,243
Spratlin-Harrington & Thomas	84,092	62,760
Dargan, Whittington & Connor	71,112	58,496
Hoyt, W. R. & Co.	47,786	51,084
Adams, Holmes & Tharpe	38,890	49,521
Adams-Cates Co.	26,955	48,934
Williams Bros. Co.	44,719	45,428
Pattillo, Howard	75,057	44,208
Haas & Haas	39,609	36,691
Adair Realty & L. Co.	39,046	35,502
Atlanta Insur. Agency	37,977	34,713
Smith & Erwin	10,502	31,134
Davis, Lee D.	30,873	30,045
Perdue & Eggleston	28,913	29,985
Lazar, Jos.	31,525	29,036
Consolidated Fire Agency	24,231	25,996
Lichtenstein & Co.	24,089	24,086

Greensboro Exchange Awards

The Greensboro Insurance Exchange presented awards to members who completed the first year of a three-year fire insurance course. The winners were: C. T. Lambeth, O. L. Grubbs, Jr., W. T. Neal, Clara Del Fogleman, Ada B. Kivette. Mrs. J. T. Nelson received special recognition for perfect attendance. W. P. D. Bush, superintendent of agencies, Dixie Fire, spoke and other addresses were made by B. C. Vitt and Clyde A. Holt, vice-president and secretary, respectively, and R. G. Guthrie and John P. Young, Jr., assistant treasurer and superintendent, loss department of the Dixie Fire.

Kentucky Head



G. R. REED, Columbia, Ky.

President G. R. Reed of the Kentucky Association of Insurance Agents will preside over its annual meeting at Louisville this week. He is one of the outstanding men of the organization and is prominent in his community.

retary, respectively, and R. G. Guthrie and John P. Young, Jr., assistant treasurer and superintendent, loss department of the Dixie Fire.

S. C. Federation Meeting

H. E. Coleman, district manager of the Mutual Benefit Life, was elected president of the Insurance Federation of South Carolina at the annual meeting in Columbia. He succeeds J. E. McDavid, also of Columbia. The new vice-presidents are B. T. Leppard, Greenville; A. M. Lumpkin, Columbia; Joseph Stuckey, Bishopville, and William Goldsmith of Greenville. J. D. Ambrose of Columbia is secretary.

J. T. Hutchinson, secretary of the Insurance Federation of America, was the principal speaker.

Decision Goes Against Mutual

The Safe Insurance Company, domestic farm mutual, has been held liable by the West Virginia supreme court of appeals for a loss despite the contention of the insurer that the policy was not in force at the time of the loss. The case was Davis, executor, vs. Safe Insurance Company.

On Feb. 25, 1933, the assured mailed a check to the insurance company covering the premium. On March 20 the check was protested for non-payment on the ground of no account. On

IN THE SOUTHERN STATES

Sues for Alleged Back Tax

State of Tennessee Seeks Payments from Ten Companies in the Wilcox Cotton Pool

The state of Tennessee has brought suit to collect over \$65,000 for alleged back taxes from 10 outside fire and marine companies. It is claimed by the state that these companies operated as members of the "Albert Wilcox Cotton Pool" and "concealed information regarding their obligations" until the Tennessee insurance department made an examination of their books. The period over which the state seeks to collect the 2½ percent gross premium tax along with 6 percent interest and other charges runs from May 11, 1915, to January, 1927.

The companies named in the bill are the Sea of New York, Standard Marine, North America, Commercial Union, Tokio, St. Paul Fire & Marine, Aetna Fire, Union Marine & General, Fireman's Fund and the Thames & Mersey Marine. The Sea is named as the one owing the largest amount, the claim being \$42,423. Insurance Commissioner Tobin had the suits started by the state.

Slum Clearance Reduces Rates

MONTGOMERY, ALA., June 3.—Lowered fire insurance rates is one of the benefits accruing from slum clearance projects, Superintendent Julian, says in reference to Montgomery housing developments.

The Alabama Insurance Inspection & Rating Bureau has set a rate of 29 cents per \$100 a year for the new buildings of the Riverside Heights and W. B. Paterson Courts projects. This is in contrast to the rates ranging from 68 to 96 cents per \$100 a year on the old housing in the same area.

Virginia Speakers Announced

Bair, Dauwalter and Button to Be Headliners at Annual Meeting in Lynchburg, June 26-27

RICHMOND, June 3.—Kenneth H. Bair, president National Association of Insurance Agents, will be one of the speakers at the annual convention of the Virginia association in Lynchburg June 26-27. Others who have accepted invitations to address the meeting are F. S. Dauwalter, former assistant manager of the western department of the Royal-Liverpool group, now manager of the Company-Agency Stock Fire Office for Business Development, New York, and Col. Joseph Button, former Virginia commissioner, now secretary-manager of the Stock Company Association, with headquarters in Washington. Another speaker of national prominence has been invited. The speakers have been given the privilege of selecting their own subjects.

The morning session of the first day will be given over principally to reports from officers and committee chairmen. The afternoon session will be an executive one. Mr. Bair will speak at this session. The evening of the first day there will be a dinner and dance at Oak Ridge Country Club.

Colonel Button and Mr. Dauwalter will speak at the morning session the second day. Members of the association will then be accorded the opportunity of discussing agency problems from the floor. Election of officers and adoption of resolutions will comprise the final business in the afternoon. Greetings from representatives of the general agents and special agents will be extended during the convention. President Donald C. Hancock and other officers, together with members of the executive

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WINNIPEG
PHOENIX
DULUTH

SAN FRANCISCO
LOS ANGELES
PORTLAND
ST. LOUIS
SEATTLE
TULSA

March 27, the insurer advised the assured that the check had been protested for non-payment and that the protest fee was \$1.50. On March 29 the assured inquired whether if the money for the premium were sent then the policies would be good. The insurer gave an affirmative response and on April 1 the assured enclosed a money order for \$21.13 for the premium on the policy in question and some additional policies. Two days later the insurer returned the money order demanding payment of \$22.63 to cover the premium and the protest fee. On April 18 the property was destroyed by fire.

The supreme court held that the correspondence between the parties, after payment of the check had been refused, amounted to an offer on the part of the insurer to accept the premium, without payment of the protest fee and a tender thereof by the assured in compliance with the offer constituted payment in contemplation of the policy.

Tax Bills Are Introduced

NEW ORLEANS, June 3.—H. B. 244, changing the fire premium tax from $\frac{1}{2}$ percent to 1 percent, was introduced by Representative Lindsay in the legislature. A bill was also introduced by him levying a tax of 1 percent on all casualty and fraternal premiums for old-age pensions.

New Texas Builders Risk Form

The Texas Board of Commissioners has just approved a new builders' risk form designed for use on comparatively small buildings applicable only to buildings with estimated completed value less than \$40,000. The policy is written when construction begins and covers actual value including tools and materials during the course of construction, the

maximum limit of liability not to exceed the estimated completed cost of the building. The premium is calculated by multiplying one-half of the estimated completed cost by the proper builders' risk rate. The policy is written when construction begins and then it needs no more attention until the building is completed.

Drilling Permits Held Up

OKLAHOMA CITY, June 3.—Permits to drill oil wells in Lincoln Terrace and other east side residence districts of Oklahoma City will be withheld pending a court decision. Marlan Deupree, city counsel, advised the city building superintendent to grant no permits to drill, regardless of whether or not the city council established drilling zones in accordance with the election May 12.

Mr. Deupree's opinion is based on the city ordinance that where a new ordinance is passed, it shall control only if it imposes greater restrictions on the use of buildings or premises than the previously applicable restrictions—in this case, residential only.

Which of the two ordinances should govern can only be determined by the courts, he said.

Oklahoma City Agent Dies

W. A. Spencer, 65, well known Oklahoma City local agent, died there after more than a year's illness. He went to Oklahoma City in 1901 from St. Louis, joining the G. B. Stone agency, and later organized his own agency, operating as W. A. Spencer & Co. In 1930 he sold his agency to E. R. Ledbetter Co. and had since been with that firm.

Bennett Speaks at Houston

HOUSTON, TEX., June 3.—W. H. Bennett, secretary National Association of Insurance Agents, told the Houston Insurance Exchange that the Fort Worth convention of the Texas association was the largest state convention he has ever attended. He said the fact that there were at least 750 delegates at the convention was proof that business is improving.

Roberts on State Commission

Ramsey W. Roberts of Jackson, secretary Mississippi Association of Insurance Agents, has been named a member of the Mississippi insurance commission, by Commissioner Williams to succeed Scott Houston, appointed by the late Commissioner Riley.

Other members of the commission are H. H. Boswell, appointed by Attorney-general Rice, and Shelby Pickett, appointed by former Governor Conner. All terms expire June 25. Appointments of the governor and attorney general have not been announced.

Take Advantage of Credit

The city commission of Amarillo, Tex., has decided to insure the municipal auditorium for five years, instead of for three years in order to take advantage of Amarillo's maximum good fire record credit.

Southern Notes

The Parker W. Luckett agency, Falls Church, Va., has been incorporated.

The Carter Insurance Agency, Ozark, Ark., formerly conducted by G. C. Carter, has been taken over by Buford Farris of Fort Smith.

Sloan-Hill Company, Chattanooga agents for the Tennessee Automobile, have increased their business 100 percent since March 1.

Mrs. M. C. Sutton has been appointed manager of the United States Insurance Agency, Wynne, Ark., succeeding E. L. Wallin.

Hyman Ziskind, lately with the Tennessee Inspection Bureau, will join Lazarov & Gruber of Memphis June 15 as manager of the insurance department.

E. C. Stone, general manager of the Employers Liability group, visited representatives at San Antonio, Houston, Dallas, Waco and Texarkana.

G. H. Albers, 68, for several years in local agency work in San Antonio, died at his home there. He was the father of J. M. Albers, San Antonio agency manager of the Central Life of Illinois.

The TOKIO

MARINE AND FIRE INSURANCE COMPANY, Limited

Established 1879

United States Fire Branch: 80 John Street, New York

J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agent

U. S. Statement December 31, 1935

PREMIUM RESERVE	\$ 1,908,849.27
OTHER LIABILITIES	740,265.75
SURPLUS TO POLICYHOLDERS.....	10,765,182.99
TOTAL ASSETS	13,414,298.01

Bonds & Stocks valued on New York Insurance Department Basis. Securities carried at \$623,876.12 in the above statement are deposited in various States as required by law.

Chicago Branch: 175 West Jackson Blvd.

Alfred J. Couch

Manager Brokerage and Cook County Depts.

New Florida Head



L. P. McCORD

L. P. McCord of Jacksonville, Fla., the new president of the Florida Insurance Agents Association, is a Georgian by nativity, having been born in the east middle part of the state on a cotton plantation, June 23, 1883. He graduated at Young Harris College, Young Harris, Ga., and taught school for a couple of years. He then went into the banking business at Crawfordsville, Ga., for four years. He shifted to West Palm Beach, Fla., where he organized the Bank of Palm Beach and remained there until 1918, when he went to Jacksonville, being connected with the Peoples Bank until 1927. He resigned as executive vice-president of the bank to purchase the C. M. Lowe agency, changing the name to the McCord Insurance Agency. It was originally established in 1900. For the last two years he has been second vice-president of the Florida association. He is active in civic work.

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May we direct one of our Fieldmen to you?

"Your Friendly Company"

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"PROTECTION SINCE 1883"

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NATIONAL SERVICE

NATIONAL

FIRE

INSURANCE

COMPANY

Hartford

WESTERN

DEPARTMENT

Chicago

PACIFIC COAST AND MOUNTAIN

Idaho Conference Now Held

Joint Gathering of Company Men and Local Agents Takes Up Some Rating Problems

SAN FRANCISCO, June 3.—Serious consideration of the fire insurance rate problem in Idaho marked the first session of a meeting between the Idaho Advisory Committee and a committee from the Idaho Association of Insurance Agents here, June 1. After a preliminary discussion of the problems, most of which revolved about the rate question, it was evident that the agents, and possibly the insurance commissioner, will make efforts to have the non-deviating companies modify their rate practices.

On the other hand, according to reports emanating from the San Francisco meeting, it appears that the non-deviating companies are determined to take some definite steps toward bringing about what they describe as "rate parity" even if all these companies are forced to file deviations equal to or below those now being used by the deviators.

Recently, it was learned, Commissioner Bakes cancelled several deviations on the grounds that they were discriminatory and he is paying attention to the entire problem.

The joint meeting was expected to agree upon some definite program of action this week. The matter probably will also be placed before convention of Idaho agents association in Boise August 3.

A meeting of the executive committee of the Idaho Association of Insurance Agents was held in Boise on the call of President H. H. Lipps of Lewiston. The contact committee, consisting of Mr. Lipps, Harry Mooney of Idaho Falls and Joseph Perrault of Boise are attending a meeting of the Idaho advisory committee in San Francisco this week.

Sturhahn Ends Coast Trip

Carl Sturhahn, president of the Rosia, who was in San Francisco conferring with Lyman Hale, Pacific coast manager, left with Mrs. Sturhahn for New York.

New Managing Editor for Agency Bulletin

George D. Fairleigh, assistant secretary of the "Insurance Field," at the head office in Louisville, will on June 15 assume the managing editorship of the "American Agency Bulletin," official organ of the National Association of Insurance Agents, in succession to R. P. Cahill, resigned. Mr. Fairleigh has been connected with the "Insurance Field" since 1926. In addition he is president of the Louisville junior board of trade, and advertising manager of the Louisville Convention & Publicity League. Mr. Cahill, who had been associated with the "American Agency Bulletin" for the past six years, is a lawyer by profession and a newspaper man by choice. He has had experience upon daily and trade press and is a strong writer. His plans for the future have not been revealed.

Miscellaneous Notes

Insurance Underwriters, Des Moines agency, has been incorporated with E. A. Klizer, president; L. M. Brainerd, vice-president, and W. L. Mapes, secretary-treasurer.

A. E. Hubbard, for 30 years a local agent at Valley, Neb., has retired and turned over his agency to John Broadhurst of Fremont.

San Bernardino Conditions

National Board Engineers Find That the Fire Department Is Far Below Normal

The National Board in reporting on San Bernardino, Cal., finds the fire loss for the last five years \$264,640. The engineers say that the water supply works are adequate and reliable. There is adequate fire supply available in the principal mercantile district and most other parts of the city. The fire department is seriously undermanned, incompletely equipped and inadequately trained. The fire alarm system is inadequate and unreliable.

Mercantile Situation Better

In the principal mercantile district, structural conditions are such that the potential conflagration hazard is only moderate. Under normal conditions the good water supply should enable the fire department, although undermanned and undertrained, to control a fire before it involves any major portion of a block. The possibility of fires crossing the wide streets is considered remote. The normal probability of a conflagration would be greatly increased, however, in the event of earthquake disturbances on either of two faults which pass close to the city. Fires in minor mercantile and industrial districts should not be extensive.

Pomona's Fire Defense Not in the Best Shape

The National Board in reporting on Pomona, Cal., shows the fire loss for the last four years \$84,838. The engineers say the water supply works are mainly adequate and reliable. The fire supply generally is efficient in the central part of the city but seriously deficient in many outlying districts. The fire department is seriously undermanned, incompletely equipped and inadequately trained. The fire alarm service is by telephone, slow and unreliable.

In several blocks of the principal mercantile district structural conditions are such that severe group fires are to be expected, possibly involving a fairly large portion of a single block. Such fires should not extend beyond the block of origin and the conflagration hazard of the district as a whole is low. Industrial areas are not closely built and fires should be of only local extent.

O'Neil Returns to London

J. H. O'Neil, prominent in San Francisco insurance circles, is returning to London, where he will be in charge of promotion work for the Sun Life of Canada. He has been with the San Francisco office of the Sun Life for several years, as well as engaging in a general brokerage business. He was at one time examiner for the San Francisco Insurance Brokers Exchange.

Hold Oil Company for Big Loss

SAN FRANCISCO, June 3.—In connection with the \$250,000 blaze which destroyed approximately a half-mile of the industrial waterfront section of San Francisco last week, warrants have been issued against one of the major oil companies charging violations of the city

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ordinances on fire hazards. Issued at the request of Fire Marshal Frank Kelly, the warrants charge the oil company was indirectly responsible for the fire and cite ordinances which prohibit openings in walls of gasoline storage tanks and also provide penalties for permitting gasoline to drain into sewers, both of which were violated in the conflagration.

Holds Owner Liable

OLYMPIA, WASH., June 3.—The owner of a building containing combustible material who permits children and tramps to frequent the structure must pay the entire loss caused to adjacent property by fire originating in such untenanted building, holds the state supreme court in the case of Prince vs. Chehalis Savings & Loan Association.

Old Firehouse Condemned

Los Angeles' oldest firehouse, housing engine company No. 1 at 1901 North Figueroa street, has become a public menace and must be torn down, according to members of the fire commission, who have petitioned the city council for funds to demolish the ancient structure that was built for the modest sum of \$1,312 when Los Angeles was still only a promising little city.

Los Angeles Girls Club Elects

The Insurance Girls Service Club of Los Angeles has elected Gladys Huse, president; Elsie Strickland, vice-president; Gertrude Janssen, recording secretary; Dorothy Rutherford, corresponding secretary; Helen Dean, treasurer. Directors elected were: Hilda Schuman, Ellen Landis, Janet Rowley, Marie McIntyre, Gladys Gilman, Marion Murray and Myrtle Kahn. The new officers will be installed June 16. Mary Rees has been president for two years.

H. J. Johnson Is Advanced

SAN FRANCISCO, June 3.—Harold J. Johnson, underwriting manager Pacific Coast department Pacific Fire, New Jersey and Bankers & Shippers, has been promoted to assistant Pacific Coast manager, Dixwell Davenport, manager, announces. Mr. Johnson has been with the department 10 years starting as special agent in Seattle. For the last seven years he has been underwriting manager in San Francisco. Louis P. Glau-don, for 10 years accountant in department, is advanced to general office manager.

To Discuss Recommendations

DENVER, June 3.—Directors of the Colorado Association of Insurance Agents are to meet with the presidents of local boards in Colorado Springs June 6, to discuss recommendations to be made to the supervisory committee of the Rocky Mountain Fire Underwriters Association here June 8.

At a special meeting of the executive committee of the Denver Association of Insurance Agents a committee was named to appear before the supervisory committee to discuss forms and make recommendations. A promotional advertising plan was also agreed on in the campaign to build up auto fire and theft insurance for local agents, but the plan will be placed before the association for consideration before being launched.

Members of the supervisory group are: W. N. Achenbach, chairman, manager western department Aetna Fire; A. T. Bailey, vice-chairman, manager Pacific department, North British & Mercantile; W. B. Flickinger, North America, Chicago; E. A. Henne, America Fore, Chicago; E. T. Cairns, vice-president Fireman's Fund, San Francisco; W. O. Wayman, manager Pacific department National, and W. D. Williams, western manager Security of New Haven, Rockford, Ill.

The same members make up the membership of the managing committee with the exception that A. T. Bailey is chairman of this unit, and that H. A. Clark,

western manager Firemen's, is a member.

Form Imperial Valley Girls Club

The Insurance Girls Club of Imperial Valley was organized at a meeting at El Centro, Cal., with election of these officers: Hazel Purdy, Walter P. Casey, Inc., Brawley, president; Josephine Henderson, Tyler Insurance Agency, El Centro, vice-president, and Nora Mills, Knights Insurance Agency, El Centro, secretary-treasurer.

G. W. Holton Visits Denver

George W. Holton, vice president of the Phoenix of Hartford, has been visiting in Denver.

Kentucky Field Meeting

FRENCH LICK, Ind., June 3.—The Kentucky Fire Prevention Association, at its annual meeting today, elected J. Branch Tabor president, succeeding C. Edwin Fieldhouse. Dave Zeiser became vice-president succeeding Mr. Tabor and E. A. Parsons was re-elected secretary.

Reports were read by retiring President Fieldhouse and by Mr. Parsons.

Richard Vernor, Chicago, suggested greater cooperation in advancing training of firemen and more especially as regards inspection.

H. W. Larue, assistant western manager America Fore, made a few remarks.

Failure of C. F. Thomas, manager Western Underwriters Association to attend the meeting of the Kentucky Fire Underwriters Association yesterday, resulted in that being an uneventful meeting.

Miscellaneous Notes

Mrs. Harry M. Rinert will operate the Rinert agency in Cheyenne, succeeding her husband who died several weeks ago.

N. J. Nelson, insurance broker, has been elected president of the newly organized junior chamber of commerce of Hollywood.

Clarence Dearth, head of the North End Insurance Agency, Wichita, Kan., and a director of the Wichita Insurers, Inc., has filed as a candidate for Democratic nomination as county commissioner.

The Hoeker-Grossman Company, Clayton, Mo., is to take over the business of the Houts-Grossman-Hoeker real estate and insurance agency. The firm is moving into larger quarters in the new Berkeley building at 8015 Forsythe boulevard.

EASTERN STATES ACTIVITIES

New Jersey Specials' Outing

Fred Bross of Home Named President of Association at Gathering Near Elizabeth, N. J.

The annual outing of the New Jersey Special Agents Association was held at the Suburban Golf Club, near Elizabeth, N. J., the principal feature being the annual golf tournament. At the evening dinner the following officers were elected: President, Fred L. Bross; vice-president, H. W. Wittich; secretary, G. H. Buckingham; treasurer, George Cicero. Mr. Bross is well known in the insurance field in New Jersey, and has been connected with the Home for 24 years, now being associate state agent.

Prizes Are Awarded

The prizes were awarded to Charles Conklin, Theodore Roller, Edward Kelly, Fred Hoops, R. F. Moore, W. T. Murphy, Charles Houghton, Wilfred Garretson, Townsend MacIntosh, Jesse Teese, Walter Oleson, Walter Rohrer, Charles Ebbetts, Richard Williams and Arthur Bachmann. In the quoits contest, Herbert Guempel won first and Fred L. Bross, second. The association has had one of the most successful seasons since its inception and it was reported that membership was steadily increasing and extensive plans will be made during the summer months for the 1936-1937 season.

Will Tighten Pennsylvania Qualification Restrictions

PHILADELPHIA, June 3.—A conference was held at the Pennsylvania department office in Harrisburg between members of the Pennsylvania Association of Insurance Agents and Deputy Commissioner Josephs to discuss agency qualifications. A plan was sought to make qualifications more stringent through regulation rather than legislation, and through those regulations keep out of the business those not fully qualified to properly serve their clients.

It was decided to study the methods now in vogue in various other states, both in the matter of regulations and laws, taking the best features from all and improving upon them if possible. Arthur S. Arnold, general counsel Pennsylvania association, was instructed to pass on the legality of the various questions as far as Pennsylvania was concerned. Neither the agents nor the department are seeking a model law. They are, however, desirous of keeping the unfit out of the business.

Hope for Improvement Seen

National Fire Protection Association Comments on the Conditions Found by Engineers at Lynn

The National Fire Protection Association states that at Lynn, Mass., the fire prevention committee of the chamber of commerce has been actively seeking correction of the unsatisfactory conditions contributing to the city's unfavorable fire record. Commendable results have been the reestablishment of a full time drill master to training of all fire department companies, an appropriation for erection of a drill tower and purchase of a suitable building site for safe housing of fire alarm apparatus. The principal remaining needs, the N. F. P. A. says, are resumption of the curtailed fire department inspections of buildings, more adequate response of fire apparatus to telephone and automatic alarms, and improvement of fire resistively weak structural conditions.

Connecticut Agents Meet in Norwich Inn Next Week

NORWICH, CONN., June 3.—The mid-year meeting of the Connecticut Association of Insurance Agents will be held here at the Norwich Inn June 9. There will be a business session in the morning, followed by luncheon and golf in the afternoon. E. J. Cole, Fall River, past president National Association of Insurance Agents; J. H. Maurice of the Connecticut department, and Assistant Secretary George Scott of the National association, New York, will be speakers.

Reject Massachusetts Quiz

The Massachusetts legislature rejected a measure to appoint a special commission to investigate fire companies in Massachusetts, by an unfavorable report from the joint insurance committee, but the committee reported favorably on a bill for an unpaid commission to study fire insurance rates in Chelsea and Revere.

Agent Found Drowned

E. F. Stearns, 65, veteran Springfield, Mass., local agent, whose disappearance April 4 caused widespread search, was found drowned last week in the Connecticut river at Thompsonville, Conn. A medical examiner's report gave the cause of death as suicide by drowning. Mr. Stearns' health had not been good



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for some time. He had been an agent in Springfield since 1899.

N. J. Fire Losses Decrease

Estimated fire losses for May throughout New Jersey have been put at \$495,000, a decrease from the same month last year when losses totaled \$545,000. Losses for the first five months of this year show a comparatively small decrease over the same period of last year.

Outing of Ocean City Body

Preparations have been made for the annual outing of the Ocean City (N. J.) Insurance Association, which will be held at Somer's Point, N. J., June 9. Invitations have been issued to various insurance organizations throughout the state to take part in the activities.

Vetoes N. Y. Rate Proposal

Governor Lehman of New York has vetoed an amendment to the rating law of that state that would have permitted an insurance company, with the consent

of the insured, to collect a higher rate than that published by the rating authorities.

Summer Course at Rochester

Roy A. Duffus and Basil R. Weston have been appointed instructors in a new summer course in the principles of life, casualty and fire underwriting which is being started this year by the Rochester (N. Y.) Business Institute.

Mutual Ceases Operations

The Brethren Mutual Fire of Mount Joy, Pa., a small mutual company which has been in operation since 1930, has ceased business.

Eastern Notes

W. E. Ritch, 78, in the insurance business in Greenwich, Conn., for 45 years, died at his home there. He had served both as postmaster and chief of police in Greenwich at different times in the past.

The Essex Underwriter agency has been incorporated in Newark, N. J., by F. P. Schroeder, A. L. Schroeder and A. H. Watson and will conduct a general insurance business.

appears advisable to the council. Where this is done, members cannot accept business from non-member agents. If an agent refuses to join the local association, all C. U. A. members will withdraw from his agency. While membership is open to those companies which conform to rules, it excludes companies, otherwise eligible, which are affiliated with or controlled by a non-member or group.

As the association is affiliated with and under the jurisdiction of the Dominion Board, members must be members of the Dominion Board. In addition, they must hold membership in every other association which is affiliated with the Dominion Board in the territory in which the member transacts business.

Pro Rata Assessments

Expenses will be met by pro rata assessments on the fire, casualty and automobile branches, in the proportion that net premiums bear to aggregate net premiums. Each branch has an executive committee comprising a chairman, vice-chairman and 12 members. These are appointed for a two year term, with six retiring annually. Monthly meetings are held alternately in Montreal and Toronto. There are three standing committees, on finance and office management, legislation, and public relations.

Burgess Named at Winnipeg

Agents' Association Elects Officers at Big Turnout; Plan Many Activities for Season

At the annual meeting of the Insurance Agents' Association of Winnipeg held there, officers were elected. They are: President, Alex Burgess, of Alex Burgess, Ltd.; casualty vice-president, E. C. Ryan, Jr., Ryan Agency, Ltd.; fire vice-president, Joseph Gair, of Allan, Killam & McKay.

The executive committee consists of: John Huggard, Huggard & Co.; Eric Severn, C. S. Gunn & Co.; Brian Ireland, United Grain Growers; William Darwood, Insurance & General Agency; L. M. Moffatt, Black & Armstrong; F. J. Burns, Scrimes Insurance Agency.

A large and representative turnout of members heard the presidential address by Hugh B. Holland, of Oldfield, Kirby & Gardner, covering activities and problems of the past year.

Membership totals 153. A program of increasing activity is planned for the coming year. Members observed a minute's silence out of respect to the memory of three deceased members, L. T. Chadwick, Basil G. Baker, and T. R. Billett.

Dominion Board Names New Officers and Council Members

At its annual meeting at Lake Placid, N. Y., the Dominion Board elected the following officers and council: President, John Jenkins, Employers Liability; first vice-president, J. H. Riddell, Eagle

Star & British Dominions; second vice-president, W. E. Baldwin, Continental; council: C. E. Sword, Union of Canton; W. E. Findlay, Springfield Fire; E. J. Kay, North British & Mercantile; B. W. Ballard, Hartford Fire; John Holroyde, Commercial Union; H. C. Mills, North America; C. E. Sanders, Atlas; C. S. Malcolm, Royal Exchange; Kenneth Thom, Western; J. Ross Stewart, Aetna Fire; J. B. Alexander, Canadian Surety; C. W. C. Tyre, Phoenix of London.

The constitution was amended to provide for three additional members of the council, and authority was given existing officers and council to make the necessary nominations.

Sterling Fire Widens Scope

MONTREAL, June 3.—The Sterling Fire has secured legislative authority to change its name to Sterling Insurance Company and to widen its scope to include classes of insurance other than fire.

Basil G. Baker Dies

Basil G. Baker, director and partner of Allan, Killam & McKay, Winnipeg firm, died in Rochester, Minn. He was born in Winnipeg and entered the firm of Allan, Killam & McKay as office boy at the age of 17. He was connected with the firm 30 years. Mr. Baker was chairman of the Winnipeg Agents' Association for a period.

Library Section to Meet

The insurance section of the Special Libraries Association will be held in Montreal, June 16-19. Miss M. J. Henderson, investment librarian Sun Life of Canada, is chairman. Miss Beatrice Howell, Insurance Institute of Montreal, will represent that organization. A number of prominent speakers will be on the program, including C. D. Rutherford, associate actuary Sun Life, on "Social Insurance"; Superintendent B. A. Dugal of Quebec, R. Wright and A. P. Earle.

Motor Insurance Events

Yetka Calls on Finance Companies to Cooperate

ST. PAUL, MINN., June 3.—Automobile finance companies that write insurance in connection with their financing "are requested" by the Minnesota department hereafter to be more specific in their insurance writing. Commissioner Yetka sent a letter June 1 to all such companies operating in the state asking cooperation. The letter followed criticisms laid before the department as to methods employed by some finance companies in writing the insurance.

The letter states that companies

IN THE CANADIAN FIELD

British Columbia Body Meets

Burgess Elected Chairman of Underwriters Association at Vancouver Gathering

Fred A. Burgess was unanimously elected chairman of the British Columbia Insurance Underwriters Association at the annual meeting in Vancouver. Mr. Burgess is branch manager Caledonian, and Great American Indemnity. R. V. Kentish-Rankin, branch manager Imperial Insurance Office, was named vice-chairman.

On the executive committee for two years were named J. A. Young, branch manager Employers' Liability Assurance; W. R. Sloan, branch manager, Car & General; J. E. Rose, assistant manager London & Lancashire; W. G. Gerrard, branch manager Northern Assurance; S. Clegg of Pemberton & Son, Victoria, district general agent Home of New York.

Report Membership Changes

W. G. Gerrard, branch manager Northern Assurance, the retiring chairman, presided. H. G. M. Wilson, manager of the branch, reported an active year. Although there was no change in the membership during the fiscal year ended March 31, since then the Mercury has been admitted and the Continental Casualty has resigned, owing to discontinuing writing automobile in Canada. The Phenix Fire of Paris has withdrawn from active membership, as it is not writing automobile in British Columbia. Active members number 98

and there is one associate member. Approximately 126 insurers are actively engaged in writing automobile insurance in British Columbia.

Constitution Finally Adopted

Canadian Underwriters Association Promulgates Regulations at Lake Placid, N. Y., Meeting

The Canadian Underwriters Association at its meeting, at Lake Placid, N. Y., adopted a constitution, after several months of discussion. Objects are to promote a high ethical standard in the insurance field, develop public confidence and respect, support sound principles and maintain security of the business. Included under these general aims are the making and maintenance of rates, regulation of compensation and agency appointments, and prevention of rebating. Benefits are to accrue to members only, and those withdrawing from the association must return all rating material, maps, plans, etc.

No member, its representative or agent is to place any class of insurance coming under the jurisdiction of the association with, or accept any such insurance from, any non-member company or agency. The only instance in which reinsurance may be accepted from a non-member is where a company is retiring from the field and reinsuring its entire business.

Other Regulations Given

Local agents' associations may be formed in affiliation with the Canadian Underwriters Association where this ap-

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Trial of All Insurance Cases in State and Federal Courts.
Equipped for investigation and adjustments in surrounding territory.

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Financial Center Building
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KEYES & ERSKINE

Herbert W. Erskine William A. White
Morse Erskine J. Benton Tulley
625 Market Street
San Francisco, California
General Counsel Pacific National Fire Ins. Co.
Trial of insurance cases in State and Federal courts.

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Hobart Building
San Francisco, California
Representing Associated Indemnity Corp., General Reinsurance Corp., and others.
Former vice-president and general counsel of Associated Indemnity Corp., and Associated Fire & Marine Ins. Co., San Francisco.

REA, FREE & JACKA

804 Commercial Building
San Jose, California
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London & Lancashire
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Trial of Cases

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Hitch, Denmark & Lovett

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735 Francis Building
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Equipped for investigations, adjustments, trial of all Insurance cases in all courts in Northwestern Iowa.

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TINCHER, RALEIGH & CUSHENBERY

301-302 First National Bank Building
Hutchinson, Kansas
Insurance Companies represented: National Union Indemnity Co., Ocean Accident and Indemnity Co., Columbia Casualty Co., Metropolitan Casualty Ins. Co. (Loyalty Group), Commercial Casualty Co.
Investigations, Adjustment and defense trial work.

KELLER, MALCOLM & BURNETT

204-206 National Bank Building
Pittsburg, Kansas
Counsel for: Aetna Group, Employers Group, Standard Accident, Central Surety, United States Fire, Firemen's Fund and others.
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INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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Public Utility Bldg.
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Insurance Companies represented: Fidelity & Casualty, Fidelity & Deposit, Loyalty Group, American Surety, Hardware Mutual and many others. Equipped for investigations, adjustments and trial of cases in Northwest Kansas.

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BLOOD & PROSSER
402 Schweiler Building
Wichita, Kansas
General Counsel Santa Fe Trail System, Traders & General, American Fidelity and others. Investigations, adjustment of claims, and trial work Southern and Southwestern Kansas.

KENTUCKY

Woodward, Dawson & Hobson
Insurance Attorneys
615-24 Inter-Southern Bldg.
Louisville, Kentucky

LOUISIANA

COBB & JONES
840 Canal Bank Building
New Orleans, La.
General Counsel for Pan-American Petroleum & Transport Company and Penick & Ford, Inc., in southern states. Specializing in casualty and surety. Trial of all cases in State and Federal courts.

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203-205 Second National Bank Bldg.
Hagerstown, Maryland

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Detroit, Michigan
Randolph 5160

PAUL H. SCHULZ
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Trial of cases, Investigations and adjustment of claims. Technologist Service.

EARL P. TROBERT
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NASH & NASH
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Francis C. Wilson John T. Watson

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Investigation and Adjustment of Claims
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Bank reference: Western Security Bank (Counsel).

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Ramsey Tower
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Perrine Building

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Henry E. Collier John A. Collier
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Continental Cas. Co., American Motorist, Pacific Greyhound Lines and others.

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Phone Court 2285

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Attorneys at Law
Abilene, Texas

Equipped to handle adjustments, investigations, settlement of claims and trial of all insurance cases.

TEXAS (Cont.)

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Representing Associated Ind. Corp.; Traders & General Ins. Co.; American Fidelity & Cas. Co. of New York. Equipped to handle claims, adjustments, and investigations Panhandle territory. Practices in all State and Federal Courts.

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624-630 Littlefield Building
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Trial of all insurance cases State and Federal Courts Eastern District of Texas.
Equipped for investigations.

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References: Maryland Casualty Company, American Fidelity & Casualty Company, Traders & General Insurance Company.
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1856-1933

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Jno. C. Saner

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Chicago Lloyd's
United States Casualty Co. of New York City, etc.
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Norman Atkinson
M. S. McCordale
E. F. Gibbons
Willard L. Russell

(Continued next page)

INSURANCE ATTORNEYS

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Carl E. Croson
O. H. Johnson

Burton J. Wheelon
F. Bartow Fite, Jr.
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EGGERMAN & ROSLING

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403-04 Fourth & Pike Bldg.
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Insurance Building

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E. L. Skeel
Tom W. Holman
Frank Hunter
Tyre H. Hollander
Laurence Booth, Jr.

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RYAN, ASKREN & RYAN

Suite 1903, Northern Life Tower
Seattle, Wash.

Counsel for Association of Life Insurance Presidents—Commercial Casualty, Metropolitan, London Guarantee & Accident and others.
Trial all insurance cases in State and Federal Courts in Western Washington.

POST, RUSSELL, DAVIS & PAINE

Exchange Building
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Aetna Group, Hardware Mut. Cas. Co., Phoenix Ind. Co. and others.
Investigations, adjustments and trial of all insurance cases in Eastern Washington and Northern Idaho.

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WOLFE & HART

First Wisconsin Nat. Bank Bldg.

Milwaukee, Wisconsin

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WM. B. COBB

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should instruct their agents that on and after June 20, each purchaser of automobiles or accessories insured under finance accounts should be furnished insurance certificates showing name of insured, proper description of car or accessories, coverage afforded and premium charged. Mr. Yetka said it would seem the premium should be divided as to type of coverage.

Hardware Mutual Organized

Interests associated with the Iowa Hardware Mutual of Mason City, Ia., have organized the Iowa Hardware Mutual Casualty to write automobile liability, property damage and collision. It

has taken over this business formerly written by the Iowa Hardware Mutual. The new company has assets \$8,235 and surplus \$14,760.

Texas Notes

L. W. Stynchcombe, Texas examiner Fireman's Fund, Atlanta, Ga., is making a tour of the state with field men.

Ralph Barnett, 53, prominent Hereford, Tex., local agent since 1900 and manager Hereford Insurance Agency, died.

H. A. Walker of the Sheppard-Butler and Walker agency of Sweetwater, Tex., has been elected president of the Sweetwater board of city development.

The name of the Wyman, Green & Shelton agency, Bradenton, Fla., has been changed to Wyman, Green & Blacklock.

MARINE INSURANCE NEWS

Plan for Baggage Insurance

This Form of Indemnity Is Based on the Ticket Accident Policy Method

The personal effects and baggage insurance policy sold at the rate of 25 cents per \$100 for one day is not a new form of coverage. This policy differs from the regular personal effects floater in that it covers property only while in transit, en route during a journey and is sold only by railroad, steamship and travel agents. The policies sold by the steamship and travel agents are limited, containing the exception of articles "while being worn."

Smith Is Large Producer

L. C. Smith, general agent, St. Paul Fire & Marine in New York City, is the largest single producer of this line. He began his career in 1914 in this country, but due to the war, his activities were very much restricted. At the close of the war he became active in Europe as well as America, representing the Commercial Union and developing for them a substantial baggage insurance agency, which was later absorbed by the Travelers Assurance Association, which is owned and controlled by Commercial Union interests.

The prime object of this insurance is to create a public service and it is principally for those people who cannot afford the annual tourist floater or who would not be acceptable from an underwriting standpoint, and for those who might neglect to secure coverage through their regular broker for a two or three days' trip. It is from this class that the great bulk of the business is derived and because of the small premiums involved, is of little interest to insurance agents.

Smith Has Many Contracts

At the present time Mr. Smith has contracts with practically all of the principal railroads in the country, permitting the issuance of these policies, provided railroad transportation is issued to the passenger. Policies are also sold by a great number of steamship companies and travel agents. Representatives selling these policies are specially licensed by the state for the purpose, although in some states travel agents are being eliminated from writing this class of business, due to the possibility of there being a competitive issue with the insurance fraternity. It is understood that Mr. Smith has taken a rather liberal view regarding the recent activities of the various fire associations throughout the country and is thoroughly in accord with their views.

There are other companies writing this type of coverage, namely: the Aetna Fire, Travelers Fire, North British & Mercantile, Hartford Fire, Standard of

Hartford, Sun, Union of Canton, Orient, Scottish Union & National, Automobile of Hartford, Atlas and Fireman's Fund.

Agree on Canadian Hull Plan

Joint Committee to Recommend to Underwriters Procedure for 1936 Season

The joint hull committee of the Dominion has agreed with the imperial shipping committee to recommend to underwriters that for the 1936 season rates and conditions governing insurance of hulls and machinery of ships on the Hudson Bay route shall be modified as follows:

(a) The season shall open Aug. 5 instead of Aug. 10, as hitherto, subject to a provision that no vessel must pass Cape Chidley before Aug. 10 until the captain has received advices from the Canadian government patrol ship that it is safe to do so.

(b) The season shall close as hitherto on Oct. 15, but the surcharge for late departures from Churchill will be enforced for the five days, Oct. 11-15, instead of the eight days, Oct. 8-15.

(c) The rates of additional premium for suspending warranty will be the same as in 1935, except that the percentage on insured total loss value of 22s. 6d. for a vessel equipped with a gyro compass is reduced to 17s. 6d. The full report of the imperial shipping committee will be presented to the governments concerned.

Lawson Speaks in Ohio

E. D. Lawson, western marine department manager of the Fireman's Fund at Chicago, will address the Columbus, O., Motor Freight Club at an outing June 4 on motor cargo insurance.

Canadian Board Elects

C. G. Ross of Dale & Company, Montreal, was reelected president of the Canadian Board of Marine Underwriters at the annual meeting in Montreal. Other officers are: Vice-president, C. E. Bickerdike; secretary-treasurer, H. C. Beatty; executive committee: Alfred Powis, Jr., chairman, C. Capper and F. Schaffler; loss committee, J. W. Smith, chairman, C. Capper and C. E. Bickerdike; committee on advisory war rates, C. G. Ross, chairman, E. W. Falkner, A. Powis and E. W. Schaffler.

Transfer Clouston to New York

A. M. Clouston has been transferred by the North America from Toronto to New York City, where he will be engaged in the development of all lines, specializing in inland and ocean marine.

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since closed. In the matter of compensation insurance, payments to the worker or his heirs may continue for many years after the date of the injury.

Because of these things it is very important to **KNOW** that as far as is humanly possible today's insurance carrier will be able to meet any claim whenever it arises.

Continuing Protection

These three Aetna cases are typical of the need for insurance in a company that will continue to pay claims as long as the need remains.

25 Years

Date of accident December, 1926. Victim killed by fall from roof. Heirs have been paid \$5,461.80 in 9 years. Estimated payments must continue 16 years more.

17 Years

Automobile accident in June, 1919. Case still outstanding. Policyholder has already required protection for 17 years.

30 Years

Claimant permanently disabled in July, 1922. Has been paid \$5,445.86 plus \$4,682.28 medical expenses in 13 years. Estimated payments must continue 17 years.

The record of the past is the surest indication of future performance

To date, the Aetna Life and affiliated companies have paid to and for their policyholders more than one billion five hundred and twenty-five million dollars. The present financial structure is absolutely sound with a margin of safety far in excess of any probable demands.



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The National Underwriter

June 4, 1936

CASUALTY AND SURETY SECTION

Page Twenty-seven

Accident-Health Selling Stressed

Agency Management Problems
Also Featured at National
Association's Convention

CUNNINGTON NEW CHIEF

Recruiting, Training, Stimulating Sales
and Conservation Among Topics
Covered

NEW OFFICERS ELECTED

President—H. A. Cunningham, Aetna
Life, Cleveland.

First vice-president—A. D. Ander-
son, Continental Casualty, Chicago.

Second vice-president—A. M. Holtz-
man, Colorado Life, Denver.

Secretary—G. V. Chandler, General
Accident, San Francisco.

Executive secretary—E. H. Fergus-
on, Chicago.

A program of valuable material along both agency management and sales lines featured the annual meeting of the National Accident & Health Association in Chicago this week. The morning session Tuesday was devoted entirely to management questions, while the afternoon session was really a glorified sales congress, with some of the best men in the business from all parts of the country as speakers.

The attendance was close to 150, with practically all the local clubs represented, and one man present from Canada; L. F. Flaska of Toronto, vice-president Mutual Benefit Health & Accident in charge of its Canadian business. The Milwaukee club, organized only a few months, was particularly well represented, with 16 members on hand. Milwaukee was selected as the 1937 convention city.

C. W. Rogers of Seattle, secretary of the national association, was unable to be present and C. N. Dubach, Hartford Accident, Chicago, was called into service as a pinch hitter, having served in the same capacity at the Detroit convention last year.

Following the formal opening of the convention by President Dwight Mead of Seattle, Charles H. Davis, Pacific Mutual Life, president of the Chicago association, extended greetings.

Those elected to the executive committee are: For three years, George L. Dyer, Columbian National, St. Louis, E. H. O'Connor, U. S. Casualty, New York, Dwight Mead, Pacific Mutual, Seattle; for two years, J. F. Leibig, Continental Casualty, Philadelphia, J. E. Powell, Provident L. & A., Chattanooga, Homer Bisch, National Casualty, Toledo; for one year, Clyde E. Dalrymple, Preferred Accident, Milwaukee, R. J. Long, Great Northern, Detroit, B. F. Davis, Pacific Mutual, Pittsburgh.

The speakers at the agency management session were E. H. O'Connor, manager accident and health department United States Casualty and chairman of

Must Appeal to Personal Side in A. & H. Selling

Some very valuable suggestions for accident and health general agents and agency managers were presented at the first session of the annual meeting in Chicago of the National Accident & Health Association, which was devoted entirely to the subject of agency management.

Talks on Recruiting

E. H. O'Connor, manager accident and health department United States Casualty, who spoke on recruiting of agents, stated that the greatest success of the accident and health business lies with the life agent and that the old practice of raiding other agencies for new men is now somewhat passé. He said that although many multiple line agents have been led to believe that accident and health insurance is difficult to sell and requires specialized knowledge, it is comparatively easy to sell and all the agent needs is to acquire sufficient knowledge to talk this coverage.

Mr. O'Connor pointed out the life agent is trained to appeal to the personal element and the accident and health business will attract him with its consistent income on new and renewal business. He said the surface of the field has just been scratched because most agents were not receiving thorough training. He pointed out also that "of all lines of insurance, there is none which will give the agent the entree whereby he will secure other lines than through sale of accident or disability."

Little Sales Competition

He said the prospective agent has little or no sales competition as there are unlimited prospects. Business and professional people, who are good prospects, represent 60 to 70 percent of the people in the agent's community. Statistics show that in 1935 accidents caused about 99,000 deaths and injuries to 9,500,000 people.

"I am convinced," he said, "there is no other line of insurance more bene-

ficial to the individual, and let us therefore make the most of our opportunities and educate our agents in the great possibilities of this line and in order to get greater results in the business."

Commenting on Mr. O'Connor's figures as to the premium income on accident and health insurance last year President Mead pointed out that it was only about 1/20 of that paid for life insurance on a per capita basis, although accident and health insurance is what insures the payment of life and all other premiums.

Plan for Stimulating Sales

In giving methods for "Stimulating Sales," H. A. Cunningham, Aetna Life, Cleveland, said there should be a carefully laid plan, which should be carefully followed. He advocated setting a quota for each agent and requiring him to keep it constantly in mind. Contests were suggested so that objectives may be reached and quotas achieved, with a board placed in the general office showing the standing of each agent. Where prizes are awarded, several should be distributed, so that the hard worker will have a prize even though he didn't get the breaks and secured only a fair amount of business. Agents should be reminded of the importance of selection of risks. A manager may often pull an agent out of a slump by making suggestions as to new sources of prospects. When a new agent has been appointed and has had some training, the manager should continue to look after him until he has found himself or gained his stride.

The importance of a daily work program for the agent was emphasized. Agency meetings at least once a week, preferably on Monday, were advocated, where sales experiences can be exchanged and helpful ideas brought out. The manager must be a leader. He should be friendly with producers, not "high hat," kindly but firmly expecting results.

should be secured when the claim is filed, and that the check or draft should be routed through his hands.

He pointed out the great possibilities in claim payments for securing new prospects. An accident and health claim payment is a personal payment to the policyholder, as contrasted with life insurance.

In referring to the necessity for giving the new man some training in selection of risks before he is started out, he said that there is danger of his getting the wrong kind and if they are delivered it tends to dampen the agent's enthusiasm. He declared that there are many points in selling that can't be learned from books. The chief task is to get the new agent to the point where he can work for himself. Personal assistance is the best way to accomplish this. Quotas, daily and weekly reports are valuable. He urged that the agent should hear from the company or general agent at least once a month. The content of these bulletins is important but not more so than regularity or con-

(CONTINUED ON PAGE 33)

Reviews Problems of Accident-Health

President Young Discusses Pres-
ent-Day Issues in Opening
Conference Session

PROGRESS IN 35 YEARS

Legislation, Taxation, Conservation,
Underwriting, Claim and Agency
Angles Considered

In view of the fact that the Health & Accident Underwriters Conference is this year celebrating its 35th anniversary, President C. W. Young, Monarch Life, in his presidential address at the opening of the annual meeting of the conference in Chicago, reviewed the progress in accident and health insurance that has been made in the past 35 years and the problems that are facing the business today. He noted that the companies which are members of the conference collected \$65,100,000 in net premiums in 1935 against \$61,900,000 in 1934, an increase of \$3,200,000, and in 1935 paid out in claims \$38,400,000 compared to \$36,800,000 in 1934. The loss ratio in 1935 was 59 percent and in 1934 59½ percent. Of the 36 companies writing \$1,000,000 or more of accident and health premiums in 1935, 19 are conference members, while eight of the 16 writing over \$2,000,000 are conference companies.

Public Insurance Conscious

He emphasized the important part that accident and health insurance now plays in the lives of the American people. "To many," he said, "our claim checks for loss of earnings due to disability mean the maintenance of their food and shelter, as well as the ability to provide the best of medical care and hospitalization. The public is insurance-conscious, and while during the past year there has been quite an outburst of attacks on many businesses and in some instances on the business of insurance, I can recall no attack which depreciated the value of accident and health insurance."

In taking up the problems of the present day, he declared that the danger of the hour is the trend to a correction of the evils in business through the medium of legislation. He spoke especially of the effort to nationalize in some manner superintendence and regulation of insurance companies and urged that the conference emphasize its preference for state regulation without any sort of federal legislation governing the insurance business.

On the question of social insurance, he stressed the need for a constructive attitude. "Where the needed coverage is within the scope of the accident and health and life companies," he said, "it is our duty to do the utmost to meet

(CONTINUED ON PAGE 33)

Divided Blanket Cover Has Been Submitted to Palmer

THREE CONTRACTS DRAFTED

Illinois Bankers Association Takes Action Looking to Amendment of "Horse and Buggy" Law

NEW YORK, June 3.—Copies of each of the three proposed bond forms which collectively will supply the coverage afforded under the bankers blanket bond, use of which in Illinois was recently prohibited by Insurance Director Palmer, have been submitted to him by the Surety Association of America, and his decision is expected daily.

The divided coverage was drafted by a special committee of which R. S. Hart, Fidelity & Deposit, is chairman. The other members are: T. H. Marshall, United States Fidelity & Guaranty; Lyle Sands, National Surety; Richard Wood, American Surety, Ray Dexter, Hartford Accident; H. A. Batchelder, Aetna Casualty; W. L. Bates, Fidelity & Casualty and R. R. Gilkey, secretary Surety Association. One form covers fidelity, another burglary, robbery, hold-up and negligence of employees, and the third, destruction of securities or their misplacement. Liability for loss of securities by fire, mentioned in the blanket form, has been deleted from the revised contracts.

Replaced Bond No. 2

The bonds now before Mr. Palmer are intended as replacement for bankers' blanket bond No. 2. Assuming they meet the approval of the department head, similar forms will be issued in substitution for present bankers blanket forms 8 revised and 14.

All banks now covered under the bankers blanket form have been advised by the stock companies that the latter will hold themselves strictly bound by its provisions, thereby overcoming any fear the bankers may have had that in view of Mr. Palmer's ruling, they might be holding an illegal contract.

What procedure London Lloyds, which has a large percentage of the bankers' blanket bond business in Illinois, will take with respect to the new order has not been announced and is a matter of considerable speculation in stock circles. Managers are interested in whether the individual underwriters will promise full responsibility for all outstanding contracts. The attitude of the department applies to London Lloyds as well as to the stock institutions, and as having the larger interest at stake, the former will have to declare its position or suffer loss of confidence of its assured.

Mr. Palmer has indicated that he will not demand that blanket bonds now in force be disturbed. When the Illinois legislature meets in January a measure sanctioning issuance of the blanket form will be offered.

ILLINOIS BANKERS' POSITION

The Illinois Bankers Association at its annual meeting in St. Louis adopted the following resolution relating to the blanket bond situation in Illinois:

"In regard to insurance, the bankers in this state have had the benefit of an open market. Recent interpretation of our insurance laws, combined with the effort to correct certain delinquencies in these laws, have resulted disadvantageously to the banks which we hope will be temporary. As buyers of insurance, the public, of which our banks are a part, is entitled to consideration and should be protected with adequate coverage suitable to its needs which can be purchased in a free and open market."

Prior to the submission of the resolution to the main body of convention the council of administration discussed the blanket bond situation with L. F. Binkley, Ekern & Myers, Chicago, counsel for the association. He explained the

Twice Admirable



HARRY H. FULLER

LINCOLN, NEB., June 3.—Thomas W. Metcalf, chief admiral of the Nebraska navy, announces that Harry H. Fuller of Chicago has been appointed an admiral in the local navy. Mr. Fuller is also an admiral in the Kentucky navy. When not engaged in naval maneuvers, Mr. Fuller works for the Zurich, he being deputy United States manager.

effects of the recent ruling of the Illinois insurance department to the effect that surety companies have been violating the casualty act of 1899 in executing blanket bonds.

The bankers are apparently of the opinion that they should not be handicapped in the operation of their institutions by some obsolete law of the horse and buggy days and they plan to take steps to see that the next session of the Illinois general assembly enacts the necessary legislation to bring the insurance laws into step with the need for fully protecting modern banking institutions.

Scarborough & Co. of Chicago, London Lloyds representatives, had a booth at the convention. It is understood this group is fully alive to the necessity of protecting their renewals for 92 percent of the banks in Illinois.

A group of Chicago casualty and surety executives attended the meeting of the Illinois Bankers Association in St. Louis for the purpose of extending cooperation to the banking business with relation to the bankers blanket bond situation in Illinois. They assured the bankers of the cooperation of casualty and surety companies in continuing to provide adequate protection.

The following men attended the meeting: J. L. Maehle, manager American Surety and New York Casualty; W. H. Hansmann, vice-president Chicago branch Fidelity & Deposit and American Bonding; W. O. Schilling, manager U. S. F. & G.; John P. Kevers, resident vice-president Maryland Casualty; B. J. Nietschmann, manager National Surety, and John A. Wallace, Hartford Accident.

Ohio School Bus Parley

COLUMBUS, O., June 3.—Representatives of non-conference stock insurance companies at a meeting in Columbus Tuesday discussed the school bus situation. They talked about safety measures, stressing the employment of competent drivers and protection for children.

Standard Policy Bill

A bill has been introduced in the Louisiana legislature to provide for a statutory uniform automobile liability and property damage policy. An automobile financial responsibility measure has also been introduced.

Gives Investment Program for Accident-Health Company

A review of investment problems today, with especial reference to the requirements of companies engaged to a major degree in accident and health insurance, was presented by David W. Gordon, investment secretary Monarch Life, in a talk before the annual meeting of the Health & Accident Underwriters Conference in Chicago on "An Investment Policy for Today and Tomorrow."

Bearing in mind that accident and health contracts are for a short period, renewable either annually or more often, against which only limited reserves are required, he pointed out that sufficient funds must be readily available to meet unexpectedly heavy claims due to epidemics, seasonal claim payments and liquidation of reserves due to diminishing income. It is also necessary to maintain an earning power from investments, sufficient to carry the company through a protracted period of heavy loss ratios, as well as a list of securities, the quality of which is such that it will not only inspire confidence in policyholders but will also minimize loss in case of forced sale.

Suggested Distribution

His suggestion as to the distribution of investments is: United States government obligations, 15 to 25 percent; state and municipal bonds, 10 to 20 percent; railroad bonds, 15 to 25 percent; public utility bonds, 25 to 35 percent; industrial and miscellaneous bonds and stocks, 5 to 10 percent.

Taking up first the status of high grade bonds, to which attention is naturally directed, he noted the meagerness of yield on the longer maturities, the large refunding operations, whittling away the returns from loans previously outstanding, and the almost complete absence of income from short-term investments. He cited the various factors which give reason for mistrusting the maintenance over a period of years of the present yield on high grade bonds, but expressed the belief, however, that a minimum of 50 percent of all bonds in the company's account should be devoted to those issues which stress safety of principal as their primary attribute.

Suggestion for Reinvestment

Because the highest grade bonds now appear to be selling at abnormally high prices, he suggested that consideration be given to ways of cushioning the adverse effect of a basic change in money rates. Reinvestment of a portion of the proceeds of called bonds in intermediate maturities permits later reinvestment in the same or similar securities for a longer period and a probable downward revision in prices. He said it would require a conscious effort and a willingness to forego temporarily some income if a concentration of long term maturities is to be avoided.

A considerable number of bonds, callable only after one to five years, may be purchased on a definite yield basis to their respective first call dates. Although such purchases largely reflect short term money rates, they postpone the contingency of retirement for a definite period, and in the event they are not called, provide not only insurance against drastic price fluctuations but also adequate income.

Purchase of speculative securities, he said, fails to conform to the fundamental requirements of a casualty company. If they advance in price, there appears to be no incentive to remove them; if they decline, acceptance of loss is almost invariably deferred in the hope that they will subsequently advance. Rather than bolster income from this source, he said, it seems much better to press for it through sound underwriting practice.

As a practical method of disposing of bonds whose quality has been impaired and which have rebounded in price enough so that there is little prospect of gain from any further appreciation, he suggested selling a few bonds from each commitment during periods of distinctly strong markets. Unless there is a definite decision on such a course, the psychology of a rising market is a serious deterrent to the sale of any speculative holdings.

Especially care is required, Mr. Gordon said, in the selection of medium grade securities, lying between the speculative and highest quality bonds. On the other hand, there is more information available today than formerly and compared to the length of time the average bond remains in a company's list, the small amount required for investigation is negligible. He listed the various points that should be looked into in connection with the different classes of securities, with especial reference to utilities, railroads and municipals. On the latter class, he said, many companies limit consideration to bonds of cities exceeding 75,000 population. Although this rule may be a proper precaution for distant communities when complete information is not available, he considers that there may be justification in accepting obligations of smaller communities where conditions are fully known.

Stocks and industrial bonds should play a very minor role, he said. In the event of poor earnings, stocks may discontinue dividends. If receivership follows, the value of the shares may be completely wiped out.

Mortgages Undesirable

"Due to the nature of health and accident underwriting," he said, "it is during times of stress that policyholders are tempted to make some claims which closely resemble unemployment benefits. Worry and efforts in unaccustomed work are legitimate and further causes for increased accidents and sickness. Lapsation and heavy additional claims, combined with rapid depreciation of any considerable amount of stocks and industrial bonds, are not conducive to the maintenance of a strong financial status for any company."

First mortgages on improved real estate generally provide a higher rate of return than high grade bonds, but he held that this type of investment does not seem to be the most appropriate for accident and health companies. Regarding the possibility of inflation, he said: "We need to remind ourselves that we have definite obligations payable in dollars only; that due to the limited reserves and the brief lapsation of time between receipt of premiums and payment of claims, there is little chance for any appreciable change in the value of the currency."

As a matter of permanent policy, he suggested the desirability of forming a rotating emergency fund, with investment of up to 15 percent of the entire bond account in maturities of less than five years. "By careful selection, a rather constant flow of maturing funds is available," he said. "It also permits the release of some bank balances, and to a corresponding extent places the proceeds in a position to contribute to income."

In these recent troubled years some companies have delayed investments, awaiting a favorable moment to place large sums at work. "It is my conviction," Mr. Gordon said, "that the proper time to invest is when funds are available. By constant investment in small amounts over a period of time, the danger of serious error in judgment is greatly reduced."

Insures Against High-Low Debit

Lloyds Has Contract Protecting the Assured Under Retrospective Plan

PREMIUM IS 10 PERCENT

Will Reimburse Assured for Extra Charge Imposed Under New Compensation Rating Scheme

NEW YORK, June 3. — London Lloyds has introduced a new factor into the compensation retrospective rating situation. The London Underwriters have offered to several risks that are eligible for such treatment a contract that would hold the premium that the assured, under any circumstances, would have to pay to the regular manual charge on the traditional basis.

Thus, if the experience on a risk, retrospectively rated, proves to be unsatisfactory and under the plan, the assured would be debited, London Lloyds would reimburse the assured for the amount of the debit over and above the regular manual premium.

Premium Is 10 Percent

London Lloyds is charging a premium for this cover of 10 percent. That means that the cost to the assured under retrospective rating plus Lloyds' cover, even under the most adverse experience, would be not more than 10 percent in excess of manual.

Of course, if the assured should have very favorable experience, he would not enjoy the full benefit of the minimum premium, because he would be paying 10 percent to Lloyds.

Whether the Lloyds plan will prove popular remains to be seen. Its desirability will probably depend on the size of the risk. For instance, on a \$5,000 risk, under the retrospective plan, the minimum premium for the most favorable experience is 75 percent of standard premium and the maximum premium is 175 percent of the standard premium. To an assured in this class, the Lloyds plan would probably not look very attractive because even with the most favorable experience, considering the 10 percent premium to Lloyds, his saving in comparison with the standard premium would be only 15 percent. Of course, by taking such a contract with Lloyds, he would be safeguarding himself against a debit running as high as 65 per cent should the experience prove very sour. But such an employer would not have much to gain. The combination setup probably would not appeal to him. Neither, apparently, would the Lloyds plan seem particularly attractive to the very latest risks because such risks—those with a standard premium of \$150,000 and over—stand to be debited not more than 25 percent for the worst experience and the minimum premium goes down to 50 percent for the best experience.

Risks in Middle Ground

Such an assured by paying 10 percent premium for a Lloyds cover, would be safeguarding himself against the loss of only a 15 percent debit. To those risks in the middle ground, however, it would seem that the Lloyds cover might offer a real advantage. To be attractive, it would seem that even after paying the premium to Lloyds, there would be a good margin for possible savings for good experience and at the same time the Lloyds cover should offer protection against a sizable debit.

The National Council on Compensation Insurance issued an outline of the

(CONTINUED ON LAST PAGE)

Pacific Indemnity Has Broad Fiduciary Policy

AID TO SMALL INSTITUTION

Coast Company Provides Coverage Similar to That Introduced by Indemnity of North America

The Pacific Indemnity announces that it has prepared a cover designed especially for banks and trust companies to protect them against claims for liability for personal injuries in connection with their fiduciary activities. Announcement was made last week that contracts of this kind have been made available by the Indemnity of North America.

The Pacific Indemnity states that some of the larger banks and trust companies have studied the matter thoroughly and have arranged for special coverage with insurance companies. However, according to the Pacific Indemnity, the smaller institutions have not been able to do this.

Provision of Policy

The Pacific Indemnity policy provides fiduciary coverage for all properties owned by the assured in other than their fiduciary capacity; for all properties owned by them in their fiduciary capacity over which they have any control; for all properties which they hold in any fiduciary capacity that does not involve any control over the properties; for all operations performed by estates for whose operation they have any liability.

There is an endorsement to provide that liability will cease and return premium be allowed for all liabilities that may terminate and that a pro rata premium shall be charged and automatic coverage given on all properties or operations for which they may assume a liability during the policy term. These additions and deductions will be based upon quarterly reports.

The policy contains a provision that at the option of the assured any property or operation may be specifically eliminated from the coverage and premium computation. This provision is designed to take care of those cases where the beneficiaries may wish to place their own insurance direct.

Endorsement Is Provided

At the option of the assured there will be an endorsement to provide that any, all or certain specific estates or beneficiaries may be covered automatically as additional assured for their liability.

This coverage is in the form of a master policy and each separate property operation or estate insurance is covered by means of a certificate issued in duplicate so that in connection with each estate there will be evidence of coverage and the premium charged.

Joe Futz Seeks to Block Branch Extension to 84

EIGHTY-FOUR, PA., June 3. —Joe Futz, the local insurance man, after reading an article about branch offices in an insurance paper that the special agent of one of his companies left in his office since it was sent to him free because it wanted to get subscribers, in an exclusive interview, announced he had written to his three companies to the effect that if any one opened a branch in this locality, it would ruin the agency system of the United States. The cause, Agent Futz declares, is acquisition cost which drives out honest insurance men and makes socialists.

Slate Round of Events for Anniversary Celebration

EMPLOYERS LIABILITY PLANS

Guests Arrive from 35 States, Canada for Commemoration of Company's 50 Years in U. S.

The Employers Liability announces the completed program of activities for the celebration commemorating its 50th anniversary in this country, to be held at the New Ocean House in Swampscott, Mass., Thursday and Friday of this week.

The guests are arriving Thursday morning and in the afternoon there will be a sightseeing trip to Lexington and Concord; for baseball fans, there will be the game between the Boston and Cleveland teams of the American League. Arrangements will also be made for those who prefer bridge.

There will be a reception and then the big banquet.

Friday morning there will be various diversions and in the afternoon there will again be golf, an opportunity to witness a ball game between the Boston and Chicago American League teams and then there will be another sightseeing trip for those who prefer such activity. Half of the party will be taken to Marblehead where they will board a boat for a trip by water along the north shore to Gloucester. Shortly thereafter, the remainder of the party will be taken for a motor coach tour of the north shore, including Marblehead, Salem and Gloucester where those arriving by boat will be met and a change of passengers made between the motor and boat.

An informal shore dinner will bring the celebration to a close.

On Wednesday evening the annual banquet of the Owl Association, which is the employees' organization of the various Employers group companies, was held in Boston. This was attended by Courtauld Thomson, chairman of the board; Viscount Knollys, managing director, and Lady Knollys, and E. F. Lewis, secretary, all of London. The managing director and chairman made some remarks. The other speakers were E. C. Stone, United States general manager and attorney, and various officers of the Owl Association.

At the various events scheduled at Swampscott, producers and employees numbering over 250 will be in attendance. Over 35 states and Canada will be represented.

An attendance of over 500 is expected for the anniversary banquet Thursday evening. Those invited include home office superintendents and assistant superintendents as well as various executives of the three companies, the president of the Owl Association, insurance department officials, representatives of the various insurance bureaus and organizations.

FUNCTIONS IN NEW YORK

NEW YORK, June 3.—At an informal gathering at the New York City headquarters of Employers Liability, Tuesday morning, the 200 or more employees were presented to Sir Courtauld Thomson, Viscount Knollys, and E. F. Lewis, all of whom arrived here on the Queen Mary, Monday. In the evening there was a formal dinner at the Metropolitan Club, attended by 83 guests, including Superintendent Pink, a number of deputy superintendents, former Superintendent Van Schaick, casualty bureau officials and brokers. As toastmaster, E. C. Stone introduced as speakers, Sir Courtauld, Viscount Knollys, and General J. G. Harbord, who is a member of the United States executive committee. Mr. Pink, Mr. Van Schaick, and Edmund Dwight, previously for years general manager at New York, were presented, as well as the department deputies.

Vote Favors the New Rating Plan

Canvass Shows Majority of States Approve the Retrospective Proposal

STATEMENT IS ISSUED

Action Follows New York Conferences of Executive Officers of the National Association

NEW YORK, June 3.—Following conferences here between President K. H. Bair, Executive Committee Chairman W. Owen Wilson and Secretary W. H. Bennett of the National Association of Insurance Agents, the following statement on the plan for retrospective rating of large compensation risks was issued:

"The executive officers of the National association have canvassed the vote of governing bodies of the respective state associations on the retrospective rating plan for workmen's compensation insurance as presented at the Atlanta mid-year meeting in April. A substantial majority of these bodies have voted in favor of the plan.

Action At Atlanta

"It is to be remembered that the executive committee at Atlanta, in a formal resolution, recognized the necessity for a rating plan which will produce a greater incentive for employers to stop the mounting losses in industry and reduce accident frequency. The committee further held that no kind of insurance can indemnify this indefensible economic waste. Therefore, a program designed to influence the industrialist to reduce accidents and thereby meet an economic need is of major importance. That pronouncement must be a self-evident truth to all of those who have made even a primary study of the compensation business in this country.

"The committee at Atlanta expressed the further belief that the plan of retrospective rating recommended by the committee on workmen's compensation insurance promises to meet certain competitive conditions. Therefore, the committee approved in principle the plan presented.

"The vote of a majority of the states, subsequently taken, likewise approves in principle the general plan, evidently with the same hope and expectation that if the principle can be practically applied to the compensation business it will at least be worth a trial.

"The executive officers will report the result of the vote of the governing bodies of the states to the next annual convention of the National association at Pittsburgh in September, in order that the convention may formally pass upon the principle involved."

Mr. Stone pointed out that the Employers paid 14,000,000 to claimants last year, and within the 50 years disbursed over \$256,210,000. As compensation to agents in 1935 the corporation spent \$4,903,415. Some \$893,885 went for taxes. Its total tax payments since 1886 were \$9,904,097, plus an additional \$3,843,298 to the federal treasury. Within the past half century the Employers Liability collected in premiums here in excess of \$583,440,000, "largely from a line of insurance not written in this country prior to the corporation's entry."

Charles D. Hilles, resident manager at New York, was unable to attend.

Claim Experience with Very Valuable Lesson

An interesting case has developed in Chicago which carries a very penetrating lesson to the public and insurance producers. A few years ago a young woman who later became the wife of one of the partners in a large Chicago agency owned a car and had it insured through one of the substantial offices in that city. She was insured for \$5,000/\$10,000 limits in a company that was more or less of a plunger and whose permanency was questioned by those who knew of its underwriting policy, high commissions and perquisites of all kinds granted to producers.

Company Went on the Rocks

This young woman had the car insured about three years before she became engaged to her now insurance husband. The company in which she was insured collapsed about 10 days after her accident occurred. Five lawsuits have been brought against the assured totaling \$180,000. In the first case, which was a small one, the policyholder won. The second, which was a medium sized one, she lost and judgment was entered against her. She has taken an appeal. There are three other cases to be tried. Up to date her attorneys' fees have been over \$700. It will cost \$500 to appeal the second case. The accident happened in March, 1933. No one knows what the outcome will be but the outlook is not very rosy. The lady policyholder married a first-class insurance man later on and he is advising her although he realizes that her experience is mighty costly. At this time she appreciates quality insurance and a conscientious agent. Already enough has been spent which would have provided full, adequate and good insurance for some time.

Relied on Her Insurance Man

One of the interesting features of this case is that the woman policyholder had no knowledge of insurance companies and did not distinguish between them. She relied on her insurance broker who was considered an excellent man in his line. Evidently he was far more inter-

See Possible Basis for Justifying Travelers' Plan

If the controversy between Insurance Director Palmer of Illinois and the Travelers and Aetna Life gets into the courts, some observers believe that those companies may seek to justify their right to handle workmen's compensation and life insurance in the same company through paragraph 6 of the Illinois act of 1919, relating to the business of life, accident and health insurance.

The attorney-general of Illinois recently handed down an opinion that a life insurance company under the statutes of Illinois may not underwrite risks other than those of life and accident and health. That opinion affected exclusively the Travelers and Aetna Life. Mr. Palmer has made public no ruling on the subject, but he did state that he would take the necessary steps to give effect to the attorney-general's opinion. The paragraph in the act of 1919 reads as follows:

"Any life or casualty insurance corporation, except as hereinafter stated, organized under the laws of any other state or country, may be authorized to transact in this state the business of accident and health insurance, or either of them, and in addition thereto, the business of life insurance, if so authorized by its charter."

It is to be noted that reference is made to any "life or casualty insurance

ested in getting higher commissions than he was in providing the right kind of insurance because his office represents one of the greatest casualty companies in the country. There was no demand for a cut rate or liberality on part of the policyholder. All that the woman policyholder desired undoubtedly was good insurance.

Comment by a Partner

One of the partners in the agency made the following comment on the case:

"As I understand it, in this instance, the assured herself did not make any request for a reduced price article, but left the placing of the coverage entirely to the broker—an old family friend. What a friend, indeed, he did turn out to be! Inasmuch as price was not even a condition, insofar as the assured was concerned, in this case, the only conception of the reason for the 'friend' placing the business with a fourth rate outfit was that he received more commissions from it, and the equally disgraceful thing, as well as important thing, is that the policy itself came out of one of the so-called leading insurance offices."

corporation." Some observers say that the attorneys for the Travelers might contend that the Travelers is basically a casualty corporation. Accordingly, the argument might be made that the paragraph could be construed to mean that a casualty corporation is permitted to transact the business of life insurance. Courts in other states have held that personal injury liability and compensation insurance are accident insurance.

Hope to Cut Down Number of Automobile Accidents

W. H. Cameron, managing director of the National Safety Council, declares that the opening of the vacation and heavy summer motoring season had precipitated a crisis in the nation's five-year campaign to reduce automobile traffic deaths and casualties.

"Each year," he said, "the nation has seemed helpless to arrest or reduce the monthly increase in highway accident tragedies that begins in April and reaches a peak in October. In 1935 April saw 2,590 persons go to their deaths in traffic accidents. In October, after a steady increase through the summer months, the total was 3,850."

Western Safety Conference

The second annual meeting of the Western Safety Conference will be held in Salt Lake City Sept. 21-24, with approximately 25 safety organizations joining hands in making this an outstanding meeting. The first conference was held in San Francisco last year.

States invited to participate include California, Oregon, Washington, Idaho, Montana, Nevada, Colorado, Arizona, New Mexico, Wyoming and Utah. Attendance also has been invited from lower California, British Columbia and Hawaii.

Two Men Are Advanced

The Lumbermens Mutual Casualty has advanced J. F. Scannell, manager legal department Boston office, from assistant secretary to third vice-president, and J. F. Leary, in charge of New England department underwriting to assistant secretary.

Schedule P Formula Still Continues as Live Subject

REVEALS VARIED EXPERIENCE

Complaints Center Around Mutuals and Stock Companies Writing at Off Manual Rates

With the approach of the insurance commissioners convention, the schedule P formula governing claim reserves still continues to be a live subject among casualty companies. Originally promulgated by the New York insurance department and now applying to all states as a result of adoption by the commissioners, schedule P has been a subject of controversy for many years.

The formula provides that automobile carriers must set up claim reserves representing 60 percent of earned premiums for the last three policy years, while a ratio of 65 percent to earned premiums is required on compensation business. Although it has repeatedly been pointed out that some arbitrary basis must be set up to apply to all companies, many automobile underwriters maintain the formula is unfair to them and a similar contention is made by compensation carriers.

Experience Is Varied

While it is true that many automobile mutuals and stock companies writing business at off manual rates may be relieved under the schedule, it appears that many other companies have had lenient experience under the formula. The principal complaint on mutuals and off manual companies is that less reserve is required of them than for manual companies which have no greater loss cost. It has also been found that many companies writing special classes of business, such as preferred risks on which the loss ratio may be as low as 50 percent, suffer a penalty of 10 percent under the schedule basis.

Developed Experience Higher

On the other hand, the developed loss experience of many companies has proved to be higher than that provided for by the arbitrary ratio of 60 percent. Although in many cases companies in this situation have set up voluntary reserves to make up the deficiency, some others have failed to do so and the subsequent complications have often resulted in complaints on the entire system. The situation was somewhat alleviated, however, when in 1934 procedure was adopted providing a check on the actual experience following each policy year, by which the sufficiency of the reserve could be more closely determined.

Fake Damage Suit Exposed by Glover at Great Falls

A fake damage suit for \$27,000 was exposed in Great Falls, Mont., by Roy H. Glover, attorney Home Indemnity and member of the legal firm of Weir, Clift, Glover & Bennett, who, as defense attorney, had filed charges of perjury following dismissal of the case.

The suit was brought by J. L. Novotny, based on a truck accident in 1933, in which Novotny alleged he suffered severe injuries. He asked \$5,000 personal injury, \$5,000 for alleged loss of earnings and earning capacity, \$1,925 for medical costs and lesser amounts for other items. He was awarded a \$13,000 verdict following the first trial last December, but a new trial was granted. The claim was dismissed on motion of Novotny's attorney, following a showing of motion pictures refuting his alleged impairment of earning capacity. When Novotny, following the dismissal, threatened Robert Patton, defense witness who had taken the pictures, Judge Elwell strongly recommended that the perjury charge by Mr. Glover be filed.

Big Attendance at H. & A. Conference

Investment and Agency Problems Considered at First Session of Chicago Meet

OTHER ISSUES REVIEWED

President Young Discusses Situation Today in Annual Address—Notable Speakers on Program

Investment problems and agency management methods divided the limelight as the Health & Accident Underwriters Conference opened its annual meeting at the Edgewater Beach hotel, Chicago, Wednesday. The address at the morning session by David W. Gordon, investment secretary Monarch Life, on "An Investment Policy for Today and Tomorrow," was an especially constructive analysis of the investment situation today, considered strictly from the viewpoint of a company that devotes its main attention to accident and health insurance. He also suggested a definite investment program for companies of that class, based on their particular requirement, which differ in some respects from those of other insurance companies. The entire afternoon session was devoted to agency management, with Col. J. W. Blunt, vice-president Monarch Life, presiding.

Attendance Unusually Large

The return to Chicago, which has always been the most popular meeting place for the conference, and the further fact that the organization is this year celebrating its 35th anniversary, brought out an especially large attendance. There was an advance registration of nearly 150, the largest for a number of years, with still others expected to come in for the later days of the session. In recognition of the anniversary, special invitations were sent to all former presidents of the conference and those who were in attendance were given suitable recognition.

The conference activities really started on Tuesday, with the all-day golf tournament at the North Shore Country Club, followed by a dinner at the club that evening for both golfers and non-golfers. That dinner is coming to be recognized as one of the real social events of the conference session and there were about 75 in attendance this year, including many of the ladies. Tuesday was the birthday of L. D. Cavanaugh, Federal Life, chairman of the golf committee, and that fact was suitably recognized at the dinner.

Behrens Welcomes Visitors

The regular business session started Wednesday morning with the address of welcome by H. A. Behrens, president Continental Casualty, Chicago, who started as an accident and health man and has always taken an especial interest in that line, although his company has now expanded into a much wider field.

Ernest W. Owen, Detroit manager Sun Life of Canada, presented his inspirational address on "Thirteen Keys to Success." The keys which he listed are time, knowledge, imagination, enthusiasm, work, will power, concentration, philosophy of life, opportunity, faith, cooperation, achievement and success.

In his presidential address Clyde W. Young, Monarch Life, gave an exhaus-

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Railroads Worst Offenders on "Hold Harmless" Pacts

SET ONEROUS REQUIREMENTS

Insurance People Much Interested in
Crusade to Eliminate Coercion
of Sellers by Buyers

Liability insurance people are much interested in the crusade launched by the Risk Research Institute of New York to put a stop to the growing practice of buyers exacting from sellers so-called hold harmless agreements.

Insurance people say that due to the fact that sellers must provide such hold harmless agreement, frequently a risk that is otherwise desirable becomes unwritable.

The principal offenders so far as the experience of insurance companies is concerned, are the railroads. Within the past two years the railroads have been exacting from contractors hold harmless agreements that are exceedingly onerous.

Typical Agreement Set Forth

For instance:

"The contractor doing the work specified shall indemnify, save harmless and defend the said railroad company from any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorneys' fees in any manner caused by, arising from, incident to, connected with, or growing out of the execution of the work in any manner whatsoever."

Under such a hold harmless agreement, liability underwriters and lawyers can conjure up all sorts of contingencies, over which the contractor has no control and could not otherwise be held liable, that would cause big loss. For example, a car filled with materials might be dispatched to a point at which the contractor was working. The switchman might make a mistake and send the car on the wrong track. If there was an accident, under the hold harmless agreement, the contractor and his insurer would be liable for the injuries and property damage.

Damage to Fruit, Vegetables

Here is another possibility. The contractor might be constructing a bridge or underpass. A freight train loaded with perishable fruits and vegetables might approach just at the time when it was necessary to close traffic. If it were held up for 12 hours, the fruit and vegetables might spoil and the contractor and insurer be held liable under the hold harmless agreement.

It is absolutely necessary for a contractor to put in a temporary trestle when doing certain types of work for the railroad. Then there must be a switchover. At this point the train might be derailed, due to no negligence on the part of a contractor. Yet the contractor would be held responsible under a hold harmless agreement.

Much Trouble in Iowa

Recently the insurance companies have had some troublesome cases in Iowa. There are several PWA projects in that state for railroad underpasses and overpasses. The state is letting the contractors and the state exacts hold harmless agreements from the contractors. The state gets written permission from the railroad company to do the work and the contractor must hold harmless both the state and the railroad.

In some cases the insurance companies have offered to handle the risks excluding all liability to passengers and all damage to property owned by or in the care or custody of the railroad.

The chain stores also make it a practice to exact hold harmless agreements from sellers, they being interested particularly in the products liability angle. Some of the chain stores, however, merely request to be named as addi-

Heads A. & H. Body



H. A. CUNNINGTON

Accident and health insurance has been the life work of H. A. Cunningham.

Pink and Beha Confer With La Guardia on Auto Rates

NEW YORK, June 3.—Superintendent Pink, J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, and several casualty company executives, made clear to Mayor La Guardia at a conference in the city hall the procedure followed in determining rates for automobile public liability and property damage insurance. The mayor felt that by reason of the reduced number of motor accidents in the city during the past year and the energetic campaign against reckless driving being waged by the police, there should be a lowering of indemnity costs. Insurance rates, Mr. Pink explained, were predicated on the actual loss experience disclosed year by year, and if the creditable accident reduction record attained in the city thus far in 1936, continued through the remaining seven months, recognition would be given in the next rate revision.

As indicating the rate trend for public liability coverage in New York City in recent years, it was pointed out that while the charge for W., X., Y., car groupings in 1927 was \$115, \$128 and \$141, respectively, under the 1935 revision all pay a flat \$95. During the same years the property damage rate

the new president of the National Accident & Health Association. He has been engaged in the line 40 years. He is manager of the accident department in the Cleveland office of the Aetna Life. During the past year he served as first vice-president of the National association, and he is a past-president of the Cleveland association.

Plan California Safety Contest

Following a meeting of the California state traffic safety advisory committee in Los Angeles, plans are now being formulated for a state-wide inter-city traffic safety contest. Formation of community safety councils in every city and county of California will be started immediately and a special committee appointed to draw up the rules for the contest. B. G. Wills, vice-president Fireman's Fund Indemnity, is vice-chairman of the committee on law enforcement. R. E. Laley, Pacific Coast manager National Bureau of Casualty & Surety Underwriters is chairman of the engineering, research and statistics committee.

W. B. Kennedy, 37, treasurer and auditor of the Illinois National Casualty of Springfield, Ill., died at St. John's hospital this week. He had been in poor health for the last few months.

was reduced to \$19 for all classifications.

District Attorney Dodge advised of the establishment of a permanent department in his office for handling fraudulent accident claims, declaring that parties filing such claims together with their attorneys would be vigorously prosecuted. Casualty people were pleased at this assurance. In 1927 judges of the supreme court disciplined a number of the bar for their participation in ambulance chasing with the result that for several years following there was a decrease in the loss experience of the casualty companies. A similar effect it is anticipated, will follow the intended drive of the district attorney.

Klair to Leave Politics

LEJINGTON, KY., June 3.—W. F. (Billy) Klair of the Klair & Scott Agency, power in Democratic politics here for many years, has informed friends that he is retiring from active participation in the affairs of the party and will not seek re-election as this district's member of the Democratic state central executive committee. Mr. Klair has been in poor health for several months. He served as representative in the state legislature and was a member of the state railroad commission.

CHANGES IN CASUALTY FIELD

King Indianapolis Manager of American Surety Branch

T. W. King, assistant manager American Surety, Indianapolis branch, has been appointed manager, succeeding E. V. Clark, who has been associated with the company since 1894 and will continue in an advisory capacity.

Mr. King was born in Windfall, Ind., and became special agent of the American Surety in 1917. He resigned in

tional assured in the products liability policy of the seller. There is a difference in liability because if the chain store is named as an additional assured, the insurance company would not be liable if any of the employees of the chain stores are injured, whereas the insurer would be liable if the seller gave the chain store a hold harmless agreement.

Most of the demands for hold harmless agreement, insurance people believe, come from buyers who are self insurers.

1918 to enter military service and his regiment was scheduled for overseas duty when the armistice was signed. He returned to the employ of the American Surety and in 1922 was appointed assistant manager.

Goes With the Buckeye Union

W. Stuart Lynch of Cincinnati has been made an adjuster of the Buckeye Union Casualty claim department at its head office in Columbus, O. He has been identified with insurance for the last 20 years and has had a wide experience, working in Ohio the major part of his time. He will be concerned particularly with personal injury claims.

C. C. Banks in New Position

C. C. Banks, who has been connected with the head office of the Continental Casualty in Chicago since 1933, has joined the Chicago department of the Massachusetts Bonding. He is receiving special training and will be given

a definite assignment later on. He was formerly connected with the Century Indemnity and Southern Surety.

Returns to St. Paul-Mercury

Clarence Miller, for several years with the Fred L. Gray Co., Minneapolis, has returned to the St. Paul-Mercury Indemnity as an examiner. He was with the St. Paul before going to the Gray company.

PERSONALS

O. J. Welch, claim manager at the head office of the Buckeye Union Casualty at Columbus, has returned to his desk after an absence of nearly six weeks. He underwent an operation for appendicitis March 27 and was at Mt. Carmel Hospital in Columbus.

In recognition of C. P. Hamilton's 25th anniversary with the Fidelity & Casualty, of which he is Brooklyn borough agent, a luncheon was tendered him, at which H. V. Upington, resident manager of the metropolitan office, presented the honored guest with the gold medal of the Old Guard of the America Fore Association, together with a letter from President B. M. Culver.

C. W. Fellows, president of the Associated Indemnity of San Francisco, has been in New York and is in Boston this week. He intends to return to the Coast in about a week or 10 days.

Herbert P. Linn, vice-president Central Surety in charge of the bonding department, has returned from a month's trip to agencies on the Pacific Coast and northwest.

J. C. Wilson, special agent American Indemnity, Galveston, Tex., has been confined to the Nix Hospital in San Antonio for several weeks as the result of an attack of double pneumonia and a relapse from which he is now slowly recovering.

Convicted of Accident Fraud

Deliberating only 20 minutes, a jury in the quarterly sessions court in Elizabeth, N. J., convicted S. A. Schwartz, New York attorney, of conspiracy in collection of damages in fake accident cases. Frank "Rubber Spine" Rush, itinerant contortionist, who admitted defrauding insurance companies of more than \$25,000 in fake claims, was the principal state's witness. He testified that Schwartz planned and engineered a Newark "accident" by which the Ocean Accident was defrauded of \$225. Sentence will be passed on Schwartz June 11.

Credit Men to Hear Ives

H. S. Ives, special counsel Association of Casualty & Surety Executives, will address the convention of the National Association of Credit Men at Richmond, Va., June 8-12 on "The Future of Casualty Insurance and Suretyship."

A large attendance of insurance executives is expected at the Insurance Group meeting June 11 in connection with the convention, under the chairmanship of Don Campbell, credit manager in the western department of the America Fore group.

Date of Annual Meeting

The annual meeting of the International Association of Insurance Counsel will be held at White Sulphur Springs, W. Va., Aug. 19-21. Joe Roy Dickie of Pittsburgh is president and is arranging the program. R. B. Montgomery, Jr., of New Orleans is secretary. Fifty new members have joined the organization and there are 12 more applications for membership.

FIDELITY AND SURETY NEWS

Decision on Qualifying Bond

American Surety Escapes Liability Under Instrument Given in South Carolina in Behalf of Guardian Casualty

A good many court decisions are coming through these days involving liability under qualification bonds on insurance companies that fail. The South Carolina supreme court just handed down a decision favorable to the American Surety in the case of Boynton et al. vs. Consolidated Indemnity et al.

American Surety had issued the qualifying bond in South Carolina for the Guardian Casualty.

The qualifying bond of Consolidated Indemnity was carried in Guardian Casualty. Later Consolidated Indemnity reinsured the business of Guardian Casualty and then in about a year Consolidated Indemnity blew up.

Judgment was obtained in this particular case against Consolidated Indemnity on account of a contract issued by the Guardian Casualty which was subsequently reinsured in Consolidated Indemnity.

The judgment creditor undertook to hold American Surety liable.

The supreme court held that before American Surety can be held liable on its bond for Guardian Casualty there must be a judgment against Guardian. There is no such judgment.

American Surety could not be bound to pay the obligation of Consolidated Indemnity because Guardian Casualty was the surety of Consolidated Indemnity and American Surety was the surety on the qualification bond of Guardian.

American Surety was not a party to the agreement between Consolidated Indemnity and Guardian Casualty and it would be a far cry to say that Guardian Casualty, without the consent of American Surety, could make the latter responsible for the obligation of Guardian Casualty to Consolidated Indemnity.

Associated in Long Haul Line with C. C. Rosenbarger

C. C. Rosenbarger of St. Louis has made an arrangement to handle long haul truck business through the Associated Indemnity of San Francisco. It is understood that the business will be largely reinsured in London Lloyds. Mr. Rosenbarger, who has headquarters with the Muckerman agency in St. Louis, was formerly connected with Markel Service, which is one of the leading factors in the long haul truck insurance business. He was the St. Louis representative. He has had much experience in the line and is well acquainted with the adjusting and service requirements of the business as well as with its production. He has already made contact with brokers and agents in several cities.

Mr. Rosenbarger will operate as the G-I Service Company in the Insurance Exchange building, St. Louis. The G-I Service Company will do no direct writing but will appoint agents to write long haul risks in states east of the Rockies.

Kentucky School Bond Ruling

FRANKFORT, KY., June 3.—School boards are not required to exact a bond from depositories with \$5,000 or less of public funds in event that depository is a member of the Federal Deposit Insurance Corporation, Director Maney of the division of finance of the department of education informed county and city school superintendents. Since deposits in these banks are insured up to \$5,000, bonds must be furnished only for sums in excess of that amount.

Decides U. S. Has Priority

Supreme Court Holds Federal Government Has First Claim on Florida Deposit of Failed Company

The United States Supreme Court has held that the federal government may properly claim priority against the Florida deposits of the defunct New Jersey Fidelity & Plate Glass, which were being sequestered in that state for the benefit of Florida creditors. The United States was claiming priority for 20 judgments which it recovered against New Jersey Fidelity & Plate Glass in Florida on bail bonds given there.

The supreme court pointed out that the trial court found that, by the deposits, the securities have been segregated and set apart out of the general assets of the company prior to the accrual of any liens of, or obligations to, the United States. The Florida supreme court ruled that the deposits constituted a trust fund for the benefit of Florida, its political subdivisions, citizens and residents, and that the United States was not a beneficiary of such trust fund.

The deposit, according to the United States Supreme Court, did not divest the company's title to the securities. No one was appointed trustee and, at time of the deposit, there were no ascertainable beneficiaries. The term trust fund appears to have been used to connote an inchoate general lien for the benefit of those persons who may become entitled to be paid from the proceeds, either as unsatisfied judgment creditors, or as Florida creditors at the time when insolvency supervenes. Such an interest lacks the characteristics of a specific perfected lien, which alone bars the priority of the United States. No rule of law precludes the United States from asserting its priority by an appropriate proceeding in any jurisdiction in which property of the insolvent is being administered.

Oppose Third Account of Union Indemnity Receivers

NEW ORLEANS, LA., June 3.—There were 22 oppositions to the third provisional account of receivers of the Union Indemnity filed in civil district court, the total involving more than \$700,000. The largest of the group is the state of Louisiana, involving \$293,000. The account of receivers, filed three weeks ago, showed proposed distribution of approximately \$513,000 to approved policyholders and other claimants. The opponents contend the receivers did not list them on the account. The state's opposition, first to be instituted, is scheduled to be heard by Judge Provosty June 8.

Commercial Credit Dividend

ST. LOUIS, June 3.—With the success of the proposed sale of control of the American Credit Indemnity to the Commercial Credit Company through an exchange of stock virtually assured, it has been stated that the 20 percent stock dividend ordered recently by directors of the Commercial Credit to be paid between now and Sept. 30 would become applicable to present holders of American Credit exchanging their stock for Commercial Credit stock on the basis of share for share. A recent compilation showed 33,222 shares already deposited and more than 7,000 pledged for the near future. The time limit for deposits is June 15.

The Mutual Creamery & Cheese Factory Liability Insurance Company of Litchfield, Minn., has changed its name to the Mutual Creamery Liability Insurance Company.

Employers Liability Tries Occupational Auto Rating

USES PLAN IN THREE STATES

Offers System, Providing 20 Percent Reduction to Desirable Risks, in Ohio, Michigan, Indiana

The Employers Liability, as an experiment, has introduced the automobile occupational rating plan in Ohio, Indiana and Michigan. The system is similar to that which has been used by the General Accident, American Automobile and a few other companies. That is, for those desirable risks, where the car is not being used for business purposes, the rate is 20 per cent below manual. Other risks, in the middle ground, will be charged manual rates and those of an undesirable nature will pay a premium 20 percent above manual.

In the three states in which the occupational rating plan is being introduced, the Employers Liability in the past has been observing manual rates, although it is not a member of the National Bureau of Casualty & Surety Underwriters. In most other states the company has also been charging manual. In Wisconsin it is operating under a 10 percent deviation filing and in parts of Pennsylvania it departs from manual.

Due to the prestige of the Employers Liability, it will undoubtedly get much new business from Ohio, Indiana and Michigan. Brokers and agents, under compulsion of rate competition in the automobile line, follow the off manual market closely and patronize those companies of unquestioned financial strength that offer a rate deviation. The Employers Liability will probably prove to be a stiff competitor for other companies in the three states that are writing the off manual business.

Accident-Health Field News

Thompson Named at Peoria

Charles E. Thompson, head of the Thompson Insurance Service Agency of Peoria, Ill., has been appointed general agent there of the Massachusetts Indemnity. He will work under the supervision of the Chicago branch office of which W. W. Pierce is manager, and will handle all territory in Illinois outside of Cook county.

Mr. Thompson has been in the insurance business for 21 years, having established his present agency in 1915. He is secretary of the Peoria Life Underwriters Association, which position he has held for many years. At one time he was general agent of the Connecticut General.

O'Malley Drops Tax Suit

Suit of Superintendent O'Malley of Missouri against the United Commercial Travelers in federal court at Kansas City to collect back taxes alleged due, was dropped, Mr. O'Malley stating the society had substantially conformed to the statutes.

San Francisco Club Meets

SAN FRANCISCO, June 3.—The regular monthly meeting of the Accident & Health Managers Club of San Francisco was held today. This was the last meeting of the club until September.

Kansas City Claim Men Meet

The Claim Men's Association of Kansas City held the last meeting before fall. Clay Baker, chairman Kansas workmen's compensation commission, discussed the annual meeting of the

Speaks on Recruiting at Accident-Health Meeting



E. H. O'CONNOR

E. H. O'Connor, manager accident and health department United States Casualty and chairman Bureau of Personal Accident & Health Underwriters, spoke on "Recruiting Agents" at the annual meeting of the National Accident & Health Association in Chicago.

International Association of Industrial Accident Boards & Commissions, to be held at Topeka, Kan., Sept. 21-24. He is president. The claim men's group will hold its annual field day June 10. C. O. Huber, Hartford Accident, is president of the group.

Taxi-Cab People Protected

ALBANY, June 3.—Governor Lehman has approved the bill which specifies that the provision for suspending licenses and registration certificates for failure to satisfy judgments shall not affect owner, operator or chauffeur of motor vehicle operated for hire, who has procured indemnity bond or insurance policy. This bill was passed to take care of taxicab operators who procured insurance in insolvent carriers.

The governor has vetoed the bill to make the state liable the year round for defects in highways instead of between Nov. 15 and May 1.

This bill would have extended the liability to include improper maintenance of the state highways whether such damages are caused by the misfeasance or negligence of an officer or employee of the state or of an independent contractor.

To Withdraw Fund Bill

BOSTON, June 3.—The insurance committee of the Massachusetts legislature after two hearings has given leave to withdraw a bill to create a state fund through increased gasoline taxes and provide a system of compensation for automobile accident victims as a substitute for the present compulsory automobile liability insurance act.

AVAILABLE TRAINED PRODUCER FOR GENERAL AGENCY OF MID-WEST

College Graduate, age 32, single, seeks opportunity with progressive general agency to develop substantial connection. Has had 11 years thorough nation-wide field experience in Casualty and Bonding lines. Has supervised agency production... appointed new connections... developed field men... analyzed territories for production and profit potentials... competent in underwriting and servicing new business. Has ability to coordinate... organize... develop and produce. This man should be valuable to a general agency desirous of building its casualty and bonding business. Address D-39, National Underwriter.

Accident-Health Selling Stressed

(CONTINUED FROM PAGE 27)

sistency. "Comment on his work," Mr. Powell said. "Enthusiasm over his success."

Before the noon adjournment President Mead called on some of those on the floor. Among the contributors to this symposium, which brought out some valuable specific suggestions, were Walter Rhodes, Business Men's Assurance, Madison, Wis.; H. A. Usher, Aetna Life, president New York Accident & Health Club; Franklin White, Globe Indemnity, former president of that club; Maurice Kallis, Chicago broker; E. H. Mueller, Pacific Mutual Life, Milwaukee, former national president, and George L. Dyer, Jr., Columbian National Life, St. Louis.

David Livingstone, Chicago broker, who has placed 400 accident and health policies since last fall, was the luncheon speaker. He said there are two reasons why he sells accident and health, first because he likes it and, second, to make money.

When he approaches a client, he does so to talk over his personal problems. The average man's primary interest is in conserving his property. Fire, wind-storm and automobile insurance doesn't have to be sold. All that is necessary is to take orders. Life insurance, which Mr. Livingstone also sold for a time, he also regards as property. Accident and health is the best conservation medium.

He classified agents as piddlers, peddlers and salesmen. The first comprises the men who spend the morning shuffling over a pile of prospect cards and make it primarily an excuse for alibis. The second type is the man who concentrates on one line, prepares an effective sales talk and goes out after the business. He said he did not want to deprecate that class, as many men are very successful along that line. The real salesman, however, is the one who sits down with his client and discusses his problem, applying the right policy at the right time.

On the question of prospects, he said he never lets that worry him. "They're like street cars. If you miss one, there'll be another one along in a few minutes." Mr. Livingstone said he prefers cold canvassing. "I like to talk to new people," he said. "I like to get in where nobody else can. Every salesman has an inferiority complex when it comes to tackling new men. The way to overcome it is to open doors and walk right in."

He emphasized the necessity of making prospects clients instead of customers, by paying more attention to their needs rather than looking to the immediate commission. "Give him an honest answer to any question," he advised, "even if it is embarrassing to you at the time. If you don't it will come back in the long run. It will mean lower lapses and more persistency in your business."

"If you want to get the right prospect the first time just keep going, and then sell him the right combination."

White Opens Afternoon Session

W. Edwin White, superintendent of agents, commercial department Continental Casualty, Chicago, the first speaker in the afternoon, on "Why Sell Accident and Health Insurance," emphasized the basis necessary for income protection. Men in recent years have come to realize that the only income that is really secure is what they earn. The average man is dependent on it for what he eats and the roof over his head. When he is disabled by accident or illness, he has all his regular expenses and more, doctor and hospital bills and the like. Accident and health insurance is the only answer.

He declared the accident and health is the best line for the new agent and also helps the old agent to hold his clients. "If you write a man automobile business and I write him accident and health, you pay him for two broken fenders received in an automobile acci-

dent and I pay him for two broken legs. Which do you think he appreciates the most?"

He also spoke of the opportunity in accident and health insurance for the life insurance man.

Speaking on "Preapproaches and Approaches," A. M. Holtzman, vice-president Colorado Life and president of the Denver association, said that the only way to arouse interest in the prospect is through the suggestion of profit in the approach. He said the presentation must be concise and brief. The agent must have a very definite idea of what he is going to say.

He said there are three ways to motivate the prospect—through the spoken approach, the graphic approach or the mechanical approach. He gave six examples of spoken approach and illustrated one form of graphic approach. He spoke of the "animated map" prepared by the Accident & Health Review as particularly valuable along that line. He referred to the "68" button used during Accident and Health Week as an illustration of the mechanical approach.

Pre-approach, he said, gives an introduction for the agent or his company and at the same time enables the agent to secure as much intelligent information as possible about the prospect on whom he intends to call. He warned that merely sending out so many mailing pieces each week is not enough—they must be sent where they will do some good.

Sales Demonstration Given

The disability of E. H. Neumann, premier producer of the Great Northern Life in Detroit, who was to have participated in a sales demonstration with Floyd Holdren, Mutual Benefit Health & Accident, Detroit, caused some change in the arrangements for that feature. Roy J. Long, Detroit manager of the Great Northern, substituted for Mr. Neumann. A brief colloquy between the two participants on the major features of the sale—time control, prospecting, the approach, presentation and close and getting the premium, preceded a brief sales demonstration by Mr. Holdren of selling the salary deduction form, with Mr. Long as the prospect. Mr. Holdren was introduced as having sold 468 accident and health "apps" in 1935.

R. H. MacKinnon, Massachusetts Bonding, president of the Detroit association, told how it is possible to use the standard provisions in selling accident and health insurance. He referred to the protection which they gave to both the parties to the contract and showed the advantage of having these terms standardized, which is a real advantage in making sales. He pointed out especially the way in which the interest of the insured is conserved by certain of these provisions. He illustrated the right and wrong way of explaining these provisions.

Dyer on Conservation

The concluding speaker in the afternoon symposium was George L. Dyer, Jr., Columbian National Life, president St. Louis Accident & Health Association, on "Conserving Business." First among the causes of lapsation he listed high pressure selling—getting volume of business at the sacrifice of stability. To make a sale, the agent has to secure the prospect's confidence in his ability to handle the business satisfactorily. This confidence will be disturbed if the application is incompletely or incorrectly filled out, causing delay in delivery; if a man who has been sold a \$50 premium faces a \$60 premium on delivery, with no increase in his benefits, or if a claim has to be pro-rated as a result of incorrect classification.

Lack of attention by the agent or the office was given as another large contributing cause. Every premium notice raises a question in the policyholder's mind as to the value received for his payments, and every premium payment has to compete with other demands on the policyholder's income. The agent should therefore make a special effort to get in touch with him at such times, particularly when the first renewal

comes up. The premium notice sent out by the company is not enough and never will be enough, he said.

A third reason for lapsation is competition, diverting the business to another company. The best prevention of this, Mr. Dyer said, is to make a real sale when the application is signed. This diversion may be due to misrepresentation, deliberate or unintentional. Mr. Dyer expressed the belief that there is not much deliberate misrepresentation today, but he feels that there is a considerable amount of unintentional misrepresentation, due to the fact that the men selling the business have not the knowledge of it that they should have.

Lapses frequently result from subsequent changes in conditions which existed at the time the policy was issued. An agent cannot keep well informed regarding his policyholders' insurable interest unless he keeps in touch with them.

He emphasized the point that a very large proportion of the agent's remuneration comes from the business that stays on the books more than five and more than 10 years.

Newton Gave Buffalo Talk

The Buffalo Casualty Club held a luncheon last week. The speaker was G. D. Newton of the agency department of the Travelers, who has done much in

promoting traffic safety. He was formerly in the publicity department of the company.

Reviews Problems of Accident-Health

(CONTINUED FROM PAGE 27)

these needs, thus keeping ahead of social legislative thought and contributing to the country's progress." On such matters as unemployment insurance, which may not be within their scope, he suggested that the companies should lend their influence and experience to the solution of the problem in a manner which will supplement the present structure for individual security.

He took up at some length the tendency toward increasing taxation of insurance companies and devising new methods of taxation. While the premium tax is apparently here to stay, he said the agency forces and policyholders should be urged to exert their best efforts towards the repeal or modification of excessive fees imposed by various municipalities.

In speaking of the importance of conservation work, President Young said that lapsation strikes at the very tap root of company building. Persistency

On the Right Road



Steel production is best since June, 1930; automobile sales are highest since 1929, and gasoline consumption, for the first quarter, hit an all-time record.

Facts like these should be good news to insurance men. And our own figures show that those of you who step on the gas along the Ohio Casualty highway are finding good going.

New business, renewals and the special automobile accident coverage warrant your serious attention right now, and Ohio Casualty's attractive rates and liberal protection will help to make the 1936 route a pleasant journey for you.

An inquiry from agents in unassigned territory who want to know how and why, will bring full details.

THE OHIO CASUALTY INSURANCE CO.

Home Office

Hamilton, Ohio

Automobile Accident
Burglary

Full Coverage Automobile

Liability
Fidelity and Surety Bonds

Plate Glass

of business is the best index of the vitality of a company. The struggle during the past few years to convert a declining premium income into a corresponding gain in business in force has widened the conception of the term. Where it once referred primarily to home office efforts towards reinstating lapsed policies, it is now realized that prevention is much more effective and conservation means preventing lapses before they occur.

It is now realized that many lapses start with the company's judgment in the selection of agents, and with the agent's judgment in prospecting. Real conservation effort, therefore, begins with a careful selection of agents, thorough training, proper prospecting, selling to fulfill needs and suiting the policy to the applicant, as well as a personal followup of all business written.

Selection Major Function

On the underwriting side, he emphasized the important part the agent plays and the necessity for his realizing more fully the part he must play in the selection of risks. The training of agents has advanced in all phases of salesmanship, he said, except in the question of selection of risks. Selection should and will become a major function and the company should insist that the agent assume his responsibility. Underwriting profit is essential, he said, as neither excess interest on investments nor operative cost reduction can be expected to contribute largely to operating profit for some time to come.

President Young commented on the notable results obtained in Accident & Health Insurance Week under the chairmanship of Harold R. Gordon, executive secretary of the conference. He urged that the conference should assume the leadership in future observances.

Need Agreement on Phraseology

Referring to the efforts made for some years toward an agreement on policy phraseology, Mr. Young deplored the fact that many of the companies have done absolutely nothing along this line and declared that some action along that line is necessary to forestall legislation that would force on the business a standard accident and health contract. While a standard policy is generally opposed, uniformity of important policy provisions is a very different matter and further action along that line is absolutely essential, he declared. He said that such uniformity would be especially beneficial in reducing the number of unfavorable interpretations of policy provisions by the courts.

Problems in Handling Claims

He spoke of the necessity for combating fraudulent claims, but said that consideration should also be given to the fact that delay in payment for technical reasons naturally injures the business. "One bad settlement noised to the claimant's friends, one bad lawsuit showing the company's position to be unjustified, reflects on the business as a whole and tends to magnify the number

of claims compromised and litigated, when as a matter of fact we all know the proportion is insignificant," he said. "If you must go to court, be sure of your ground and satisfy yourself, as far as humanly possible, that the court's interpretation of your position may be such as not to injure the rights of others."

He spoke at some length of the highway accident situation and the efforts made by various organizations to improve it. He said the conference should follow the lead of the National Association of Life Underwriters in taking an active part in this campaign.

Improving Agency Organization

After pointing out the great advances that have been made in the past 25 years along the line of agency organization, President Young presented his conclusions in regard to that field:

"(1) I believe that the proper selection of agents is just beginning to receive appropriate emphasis.

"(2) I believe that proper plans and proper records are essential to success. A plan of work is vital to every new agent as well as to all old agents. We must appreciate the problems of the men in the field, and render the most helpful, practical cooperation in solving those problems. No agency force should be directed from a hermetically sealed office; we must spend considerable time working side by side with the agents and be known to all of our agents not merely as a name on a letterhead, but as flesh and blood human beings, with whom they meet frequently; real men who can put ourselves in the other fellow's place and help him make good.

Organized Presentation Valuable

"(3) I believe in the value of organized presentations, particularly for the newer man. I find that experienced men generally use an organized presentation, though often unconsciously.

"(4) I believe that the insurance agent, who will not study intensively and consistently, will drop behind and probably out. Men of 10 years' experience and more should particularly check themselves on this point.

"(5) I believe that a higher type of man is being attracted to the insurance business, and many companies have seen the financial necessity of eliminating low and mediocre producers.

"(6) I believe in planning and recommending a systematic attitude, and regularity of effort. Such a well planned and organized effort can be made to accomplish a number of things: (a) Reduce the turnover of agents; (b) produce leads for agents; (c) conserve the agent's time by performing the missionary work in advance of his call.

Great Possibilities in Business

"(7) I believe there is no other branch of insurance with the sales possibilities of accident and health. If so, then our ambition should be to surround ourselves with an organization of men each one of whom is making a living as a result of his efforts in the selling of our protection.

"The lazy way in which to attempt to establish a field organization is to go out and offer agents commission and allowance inducements of one kind or another, which will leave the company nothing for the development of educational work which is so essential to lasting success. The hard way (and at the same time the most permanent and profitable way) is to build an organization carefully, thoroughly and not too rapidly and to work with your agents in improving their knowledge of the business, helping them to make sales, and seeing to it that they and their clients receive the best of service at all times."

Ohio Claim Quiz Conference

COLUMBUS, O., June 3.—Director of Commerce Benesch, who is in charge of the proposed investigation of alleged insurance frauds in Ohio, has called a meeting to discuss the subject in the

office of the insurance superintendent Sunday morning. Mr. Benesch states that insurance companies, insurance department, Ohio Bar Association and Ohio State Medical Society will be represented.

Superintendent Bowen and A. A. Levin, an investigator in the insurance department, will appear this week before the Mahoning county grand jury at Youngstown to tell what they know about the racket in northern Ohio.

Adjustment Bureau Year Is Reviewed by Paul L. Haid

(CONTINUED FROM PAGE 4)

President Paul L. Haid and all officers of the Fire Companies Adjustment Bureau were reelected at the annual meeting. Harold Warner, Royal-Liverpool, is vice-president; W. E. Hill, secretary, and N. B. Bassett, treasurer.

At the stockholders meeting, these directors were elected: T. J. Irvine, Phoenix of London; W. H. Koop, Great American; F. D. Layton, National; G. C. Long, Jr., Phoenix of Hartford; W. R. McCain, Aetna Fire; J. R. Cooney, Firemen's; Wilfred Kurth, Home; John M. Thomas, National Union; C. C. Hannah, Fireman's Fund; James Wyper, Hartford; Montgomery Clark, Hanover; Hart Darlington, Norwich Union, and Mr. Haid and Mr. Warner.

W. S. Foster Now Retiring After Many Years' Service

(CONTINUED FROM PAGE 3)

shortly undertake the preparation of a book devoted to those special lines which THE NATIONAL UNDERWRITER will publish in due season.

J. F. Downing was general agent of the North America at Erie. Mr. Foster had an uncle employed in the Downing office and learning of a vacancy Mr. Foster went to see General Downing. After a little preliminary talk he was given a job as office boy. He started July 7, 1885, when he was 17 years old. Later he was made reinsurance clerk and assisted in some of the detail correspondence. A survey department was established and Mr. Foster was put in charge. Subsequently after some experience in underwriting he was made an examiner.

Changes in the Department

When Mr. Foster went with the North America, the late E. L. Allen was assistant general agent. Later he became western manager of the Royal and then vice-president of the Great American. The late Charles H. Barry followed Mr. Allen as assistant general agent of the North America, he having been Illinois state agent. Later Mr. Barry became western manager of the Pennsylvania. The late W. N. Johnson succeeded Mr. Barry. In 1910 the western department was moved to Chicago and Mr. Johnson was made western manager. The Philadelphia Underwriters remained at Erie with W. B. Flickinger, general agent, and Mr. Foster, assistant general agent. In 1917 the Philadelphia Underwriters department was moved to Chicago and combined with that of the North America. C. R. Tuttle had succeeded Mr. Johnson as western manager and was put in charge of the entire North America fleet. Mr. Foster was made superintendent of agents, later assistant manager and then associate manager.

For a number of years Mr. Foster had charge of the underwriting and in that department was always a master hand. He has made many talks before insurance men, especially on use and occupancy, and has written a valuable and practical book published by THE NATIONAL UNDERWRITER entitled, "Removing the Mystery From Use & Occupancy." His contribution to his chosen field of endeavor has been not only liberal but most helpful.

State Officials' Meeting Program

(CONTINUED FROM PAGE 3)

Minnetonka for celebration of the Pamunkey Indians.

On Wednesday the entire day is reserved for entertainment and sight-seeing.

The commissioners will resume Thursday morning and Commissioners DeCelles of Massachusetts and Commissioner Smith of Utah will talk on "Uniform State Taxes and Tax Laws." Commissioner Blackall will speak on stocks and bonds as insurance company investments while Superintendent Bowen of Ohio and R. T. Cragin, head of the real estate division of the Ohio department, and Deputy John Speidel of Iowa will talk on "Mortgages and Real Estate."

In the afternoon two commissioners will talk on "Occupational Dust Diseases," they being Commissioners Hunt of Pennsylvania and Carpenter of California. There will be a night club dinner dance at the Hotel St. Paul that evening.

The executive session of the commissioners will be held Friday morning and officers will be elected.

WOMEN'S PROGRAM

ST. PAUL, June 4.—Women who attend the insurance commissioners meeting will find a program of delightful entertainment arranged for them. While the men are busy with their business sessions, the women will be taken in hand by a committee of St. Paul and Minneapolis women headed by Mrs. H. W. Allstrom, wife of the vice-president and actuary of the Minnesota Mutual Life.

Tuesday afternoon, the women will be taken on a motor tour of the Twin Cities which will include a stop for tea at the Minnikahda club, Minneapolis. Then they will be brought back to St. Paul for dinner and a social evening at the Women's City club, St. Paul.

Wednesday being recreation day for the men, the women visitors will be taken to the White Bear Yacht Club for a full day's entertainment which will include golf, bridge and water sports for those who desire them.

One of the most delightful features of the program for the women will be a trip up the picturesque St. Croix valley Thursday. Leaving St. Paul at 10:30 a. m., the women will be driven 20 miles to Stillwater where they will have breakfast at the Lowell Inn, one of the most popular hostleries in this section. After the breakfast the party will continue up the beautiful St. Croix valley to the summer home of J. C. McKown, secretary of the St. Paul Fire & Marine, where they will spend the afternoon. They will return to St. Paul in time to attend the dinner dance that evening which will be the concluding social event of the week.

WILL VISIT WISCONSIN

MADISON, WIS., June 3.—At a meeting of local insurance men called by Commissioner Mortensen to arrange for the visit of insurance commissioners and camp followers who will stop off here June 7 en route to the annual convention opening in St. Paul the following day, N. J. Frey, president Wisconsin Life, was chosen general chairman, and W. F. Schar, Stark Insurance Agency, secretary of the Madison and Dane county fire boards, was named secretary. The party plans to arrive in Madison early Sunday morning by train from Chicago for breakfast. That morning they will be given an automobile sightseeing tour of Madison, the state capitol and vicinity, after which they will be taken to Wisconsin Dells in cars for a steamer cruise of the famous "Dells" of the Wisconsin river.

M. J. Cleary, president Northwestern Mutual Life; John E. Reilly, president

Casualty Coverages

That Protect

+

Thoughtful Service

=

SATISFIED ASSURED

COMMERCIAL STANDARD
INSURANCE COMPANY
FORT WORTH, TEXAS

Old Line Life of Milwaukee; Col. C. R. Boardman, president Wisconsin National Life, Oshkosh, and other executives of those companies, together with representatives of all insurance interests of Wisconsin, will be in Madison June 7 to greet and help entertain the commissioners and their party.

HEAVY REGISTRATION

ST. PAUL, June 3.—George W. Wells, secretary Northwestern National Life and former Minnesota commissioner, general chairman, reports that reservations are heavy and indications point to one of the largest gatherings of insurance men ever held in this section of the country. More than 300 from outside the Twin Cities have made hotel reservations.

Wednesday the entertainment of the commissioners will reach its high point with a special fishing trip to Milacs lake, one of the largest bodies of fresh water in the country. The trip will be made in a chartered bus, arriving at the lake in time for luncheon. A launch will be provided for fishing in the afternoon and in the evening dinner will be served at one of the lake resorts.

A committee headed by Roy Neinhaus of St. Paul has provided autos which will be at the disposal of the visitors during the week and half a dozen fine golf courses will be open to them.

DETROIT AS HOST

DETROIT, June 3.—The commissioners en route to St. Paul will reach Detroit shortly after 7 a. m., Saturday in special trains from Washington and New York. A delegation of Michigan insurance interests, headed by Commissioner J. C. Ketcham, will meet the trains and escort the commissioners to the Detroit Athletic Club for a breakfast at which Mr. Ketcham will preside.

Plans had previously been made by the railroads to entertain the group at Henry Ford's Greenfield Village with luncheon at Dearborn Inn.

The local committee includes W. G. Curtis, president National Casualty; Raymond Waldron, vice-president, Detroit F. & M.; Ralph Wade, comptroller Michigan Mutual Liability; J. J. Ramsay, general manager Detroit Automobile Inter-Insurance Exchange, and George Carter, Detroit Insurance Agency.

D. F. Broderick will be host at a University Club luncheon.

Quitting Detroit that afternoon, the delegates will arrive in Chicago at 8:40 in time for an evening conference at the Hotel LaSalle.

ITINERARY

The special sleepers will leave over the New York Central from New York City, June 5, at 5:30 p. m. Those from New England will leave Boston at 3:20 p. m. Friday, June 5 and from Springfield, Mass., at 5:43 p. m. The entire party will leave Albany at 8:43 p. m. and arrive at Detroit at 7:20 p. m., June 6. There will be a sightseeing trip at Detroit, including inspection of the Ford Motor Company, Edison Institute and Greenfield Village. Luncheon will be served at the Detroit Yacht Club. The party will leave Detroit at 4:40 p. m. on Saturday, arriving in Chicago at 8:40 p. m., central standard time. The special train will leave over the Milwaukee road at 2:05 a. m., Sunday, arriving at Madison at 5:30 a. m. The cars may be occupied until 7:30 a. m. Members of the party will be guests of Commissioner Mortensen for breakfast and then will take a sightseeing trip. The special train will leave at 1:30 p. m. for the Wisconsin Dells. The party will leave the Dells at 6 p. m. and arrive at St Paul at 11:15 p. m. Sunday.

Wisconsin Licenses of Two Companies Suspended

(CONTINUED FROM PAGE 3)

5(b), Wisconsin statutes, which reads: "Any agent may pay the whole or any part of his commission to a non-resident insurance agent, or any insurance company authorized in this state, as to insurance upon property owned by non-residents or located wholly outside of this state."

In a lengthy opinion, Commissioner Mortensen states that two hearings were held, one on April 17 and the other May 5, Cornell Anderson, state agent of the Home, appearing. There were 13 exhibits offered as part of the record.

The policies in question are described in the opinion as follows:

No. B 16563—St. Mary's Congregation, Oshkosh, was issued Dec. 7, 1931, and canceled Nov. 8, 1932. Countersigning commission of \$40 was sent to Agents Audiss, Bass & Laabs. After cancellation, policy was rewritten under No. B 16641 for three years, also countersigned by these agents, but the policy was canceled flat.

No. B 16564 issued Dec. 7, 1931, was canceled Oct. 10, 1932, and rewritten under Policy No. B16637. These covered the St. Mary's Church Corporation at Big River and were countersigned by State Agent F. W. Weineck and commission sent him for distribution.

No. TB 4311 and No. TB 4312—St. Peter & Paul Corporation, Wisconsin Rapids, were countersigned by C. E. Boles, Wisconsin Rapids, and commission of \$.58 paid him.

No. TB 4427 and TB 4313—St. Mary's Church Corporation, were signed by State Agent Weineck. Commission sent him for distribution.

The testimony, according to the opinion, shows that the policies were issued and delivered through their brokerage department outside the state and through C. W. Martin of Omaha, that none of the policies were issued or delivered by a resident agent of the state of Wisconsin, and that the policies were not issued and delivered by any person within Wisconsin holding a certificate of authority under section 209.04 of the laws of Wisconsin.

The licenses of the two companies are suspended until Oct. 31, 1936.

MARTIN GIVES STATEMENT

OMAHA, June 3.—There was nothing extraordinary or unusual in the connection of the Northern of London with the Martin Brothers & Co., agents, Charles Martin, a partner, declared here upon receipt of notice the Wisconsin commissioner had suspended the license of the Northern.

"We were conducting a normal, established line of business with Northern Assurance," Mr. Martin said. "We do not feel any responsibility in the matter. It seems to be a peculiarity of Wisconsin law with which we were not cognizant."

"If commissions were not to be paid, we should have been notified. The entire affair is a surprise to us, especially in view of the fact we have represented Northern Assurance for some 30 years."

Martin Brothers at one time represented National Liberty but this connection was severed four years ago.

Other companies represented by Martin Brothers include: American of Newark, Buffalo, Citizens of Hartford, State of Pennsylvania, Milwaukee Mechanics, National American, National, National Security, New York Fire, New York Underwriters, North British, St. Paul, Standard of Connecticut, U. S. Fire, Westchester, Yorkshire.

Brummel Soon to Return

H. C. Brummel head of Brummel Bros. Agency at Chicago, who has been off the reservation for some weeks due to illness is now on the road to recovery and will be back on the firing line in due season.

Upsetting Tradition

Conservative management, wise choice of risks, sound financing and the creation and introduction of new forms of public liability policies to fit present-day needs, has enabled this aggressive organization of young men to deal a considerable "wallop" to old man tradition.

We tilled new soil—we found a new market for premium revenue with our new All Risk policy—we told the story to our agents. Then, we did something else—we helped them sell.

Facts concerning the achievements of this organization and its agents, together with a copy of our booklet "Modern Insurance," will be supplied on request.

Great Lakes Casualty Company
Detroit, Michigan

Daily Around the World

Each day the Barnwell trucks travel a combined distance of more than 23,600 miles, a distance sufficient to encircle the globe.

It is however, the skill with which our drivers weave their way without accident over the highways of eleven states, of which we are proud.

ALL ROAD TRUCKS EQUIPPED WITH
BABACO AUTOMATIC BURGLAR ALARMS

BARNWELL BROTHERS, Inc.
Burlington, N. C.

High Lights Seen in the Reports

(CONTINUED FROM PAGE 3)

to sound doctrine and changes in premium rates when they become necessary or advisable should be brought about through orderly processes which reflect the best possible thinking and give results based on a proper weighing of all the elements in the problem.

Sees Hope in the Stars

The cost of insurance has dropped 35 points since the world war. The percentage of taxes paid by the companies to their total net premiums in 1934 was 4.18 percent. Last year the percentage was 5.01 percent. In conclusion, President Koeckert said:

"I am not discouraged by the present business outlook. On the contrary, I see much encouragement in the multiplying evidences that the public consciousness is becoming aware of the true significance of the experiments that have been tried and is arriving at an appreciation of the benefits derived by all classes of society from the firm safeguards against progressive deprivation of personal and business liberty afforded by the constitution. When the post-war prosperity was at its height this great agency of freedom and protection became dim in the public mind, but the apparent effects of political and social experimentation have made it a living reality again. This is a most hopeful sign. It inspires new confidence to go forward—to invest money, to develop industry and to employ labor. It means that we may now courageously set about the great task of providing for the ever increasing needs of our people for goods and services, the satisfaction of which for some seven years has been altogether inadequate, and thus arouse a latent demand that must react in a veritable flood of new business of every sort.

Ground Is Now Cleared

"To sum up, we have weathered the depression and we shall weather political and economic experiments which were perhaps necessary to prove once again that private enterprise and initiative, when assured of opportunity to operate creatively under constitutional safeguards, produce effects incomparably more fruitful for the general welfare than do governmentally controlled and directed programs. The ground is now cleared, therefore, for a renewal of the

spirit of cooperative helpfulness between government, industry, labor and capital."

The report of the committee on public relations, John M. Thomas, National Union, chairman, stated that the success of its work is reflected not so much in the volume of promotional publicity given stock company fire insurance in the public press, although much that is favorable has appeared, as in the fact that practically none which has been unfavorable has appeared.

The report of the committee on statistics and origin of fires, W. M. Hoffman, Firemen's of Washington, D. C., chairman, stated that the property loss last year was \$248,763,856 which was 8.27 percent below 1934. August of last year apparently marked the culmination of the low loss trend. The first quarter of this year it had mounted 19.57 percent. The loss per capita last year was \$1.95 whereas the average in the cities of 20,000 people or over was \$1.33. The rate of decline for these cities was 15.68 percent, practically double the amount for the country as a whole.

Committee on Laws

The committee on laws, F. C. White, Hartford Fire, chairman, said that during the legislative sessions last year in the main the outstanding trend was along revenue lines. There were five complete revisions of insurance laws advanced, none of which was enacted. Mr. White said that great difficulty is to be found in the absence of clear and concise legal requirements and in the increasing tendency toward the substitution for statutory law of so-called administrative law under which various boards and bureaus are given the power to make rules and regulations which have all the force and effect of law and carry with them penalties for violation. This condition has brought confusion.

The committee on fire prevention and engineering standards, John F. Gilliams, Camden Fire, chairman, stated that 83 added cities and towns adopted standardized hose and hydrant couplings. The committee has gone on record for many years advocating the appointment of fire chiefs by competitive examination, removable only for cause after trial. The committee says there has been a growing tendency on part of manufacturers of fire apparatus and fire chiefs to modify apparatus better to meet the demands of the service. The committee has endeavored to develop a fire consciousness in the minds of stu-

dents studying architecture and engineering.

The report of the committee on construction of buildings, Victor Roth, Security of New Haven, chairman, stated that the revival in the field of housing construction has been a notable feature of the year. Virtually all sections show much improvement. Prefabricated houses are reappearing in a number of varieties and the emphasis on equipment placing the house more and more in the class of a machine tends to stress the installation factor as contrasted with the structural.

The report of the committee on incendiaryism and arson, Harold Warner, Royal-L. & L. & G., chairman, stated that for the third consecutive year arson in the United States has continued to decrease. Not only have the number of incendiary fires decreased but there has been a marked lessening of such fires resulting from organized or professional criminals. Effective work has been done in rounding up many of the groups heretofore responsible for incendiary fires. There is little or no evidence that any new ring is operating on an extensive scale.

Number of Members

The committee on membership reported 196 companies on the roll. New ones admitted are the Charter Oak Fire of Hartford and the Reliable Fire of Dayton. The Eureka-Security Fire & Marine and the Monarch Fire membership terminated and the Detroit National Fire resigned.

The committee on maps, Montgomery Clark, Hanover Fire, chairman, stated that following recent tornadoes in Mississippi and Georgia, the Sanborn Map Company immediately prepared maps showing areas affected. Within six days after the storm a copy of the Gainesville map was posted in the temporary office set up by the National Board.

Big Attendance at H. & A. Conference

(CONTINUED FROM PAGE 30)

tive review of the problems facing the accident and health business today in all its various angles, including legislation, taxation, conservation, Accident & Health Insurance Week and the work of the underwriting, claim and agency departments.

Harold R. Gordon, executive secretary, presented a brief report on the conference activities for the year just closed.

Research Experts Heard

The central theme of the agency management session Wednesday afternoon was "Results from Research." Two experts in that field told of the results which have been accomplished. H. G. Weaver, director customers' research staff General Motors Corporation, Detroit, spoke on "The Philosophy of Customer Research" and L. J. Doolin of the Life Insurance Sales Research Bureau, Hartford, on "What Do We Know for Sure?"

Harold R. Gordon, chairman of the general committee in charge of 1936 Accident & Health Insurance Week, told of the week's activities and the results accomplished and the session closed with a well written and well presented skit, "Be Your Own Boss," dramatizing problems of agency management.

Legal Session Thursday

The morning session the second day is devoted to the legal session, in charge of Thomas Watters, Jr., chairman of the legal committee of the conference and general counsel of the Inter-State Business Men's Accident. The speakers are H. N. Lukins, general counsel, Washington National, on "The Agent—His Relation to His Company in the Solicitation of Business," and J. F. Kutak, home office counsel Federal Life, on "The Agent—His Relation to His Company in the Acceptance of Pre-

miums and Handling of Losses," with general discussion on both topics.

Thursday afternoon Charles H. Munsell, vice-president Monarch Life, speaks on "Creative Conservation," R. K. Metcalf, manager claim department Connecticut General Life and president International Claim Association, on "We Go Investigating," and George F. Manzelmann, North American Accident, chairman of the underwriting committee of the conference, submits his report on "Uniform Policy Phraseology." The conference banquet is scheduled for Thursday evening.

Friday's program includes addresses by Dr. S. S. Huebner, University of Pennsylvania, on "The Economic Aspects of Accident and Sickness Insurance," and Dr. W. A. Granville, Washington National, on "House Organs," together with the general business session and election of officers for the next year.

George R. Kendall, president Washington National, Chicago, now chairman of the executive committee, will undoubtedly be advanced to the presidency at that session.

Insures Against High-Low Debit

(CONTINUED FROM PAGE 29)

essentials of the plan which is practically the same statement that was issued by the Massachusetts Rating & Inspection Bureau in April and was published in THE NATIONAL UNDERWRITER of April 16.

The only difference is that the explanation given in the National Council announcement applies to the interstate setup.

Interstate Application

The plan is to be applied on interstate basis. In other words, the combined experience for the risk for all states is to be used. However, since there are variations by states as respects the expense loading included in the standard rate, it is necessary to set up individual state factors for the purpose of converting incurred losses to premiums.

The loss conversion factors range from 1.10 in Maryland to 1.28 in Georgia. California is 1.19, Illinois 1.12, Massachusetts 1.15, Michigan 1.18, New York 1.18, Pennsylvania 1.12.

The National Council sets out an illustration of the effect of the plan for various premium sizes and loss ratios in the state having an expense loading of 40 percent and where the conversion factor is 1.18.

For a risk in such a state with a standard premium of \$25,000, the basic premium is .300, minimum premium .600 and maximum 1.400. If such a risk produces a loss ratio on the basis of the standard premium of 20 percent, it enjoys the minimum premium of .600. With a 30 percent loss ratio, the premium is 65.4 percent of standard; 40 percent loss ratio, premium is 77.2 percent; 50 percent loss ratio, 89 percent; 60 percent loss ratio there is a .8 percent debit; 70 percent loss ratio, 12.6 percent debit; 80 percent loss ratio, 24.4 percent debit; 90 percent loss ratio, 36.2 percent debit; 100 percent loss ratio, 40 percent or the maximum debit.

Sample Exhibits Shown

If a risk qualifies for retrospective rating, but upon audit develops less than \$5,000 standard premium, the rating factor shown for \$5,000 shall be used.

Here are some sample exhibits of basic premium, minimum premium and maximum premiums for risks producing various standard premiums:

Standard Premium	Basic Premium	Minimum Premium	Maximum Premium
\$10,000	.300	.700	1.650
15,000	.300	.650	1.550
20,000	.300	.625	1.450
25,000	.300	.600	1.400
35,000	.290	.580	1.380
45,000	.280	.560	1.360
65,000	.260	.520	1.320
85,000	.246	.500	1.292
110,000	.236	.500	1.272
135,000	.228	.500	1.256
150,000 & over	.225	.500	1.250

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In the soundness of the company's underwriting policy;
In its friendly consideration for agents and their needs;
In its adherence to every rule of correct practice;
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The company's well proven policies have always been
so easily adapted to the requirements of the day.

Today's business needs are not those of a few years ago

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but the basic principle of fair dealing with agents and
policyholders can never change.

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